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USSR Report

PROBLEMS OF THE FAR EAST

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21 November 1985

USSR REPORT

PROBLEMS OF THE FAR EAST

No 2, APR-JUN 1985

Except where indicated otherwise in the table of contents the following is a complete translation of the Russian-language journal PROBLEMY DAL'NEGO VOSTOKA published quarterly in Moscow by the Far East Institute, USSR Academy of Sciences.

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[Article: "The Key Task of Our Time"]

All major events in recent history have been influenced by the Great October Socialist Revolution and the division of the world into two opposing social systems. These factors of world history will continue to determine the development of civilisation. During the course of confrontation between the two systems, the general trend to strengthen the forces of peace and socialism is accompanied by some negative processes which qualitatively affect international relations. This is what makes the dialectic of real international life and today's world developments so very complicated.

In the early 1980s, imperialism, above all US imperialism, caused a serious deterioration of the international situation. In a bid to achieve military superiority over the USSR, Washington launched a new, dangerous spiral of the arms race. This policy was aimed at stopping the historically determined process of the world's social renovation, at "pushing back" socialism and ultimately realising plans to ensure the global domination of US capital.

The USA continues to deploy its missiles in some West European countries. Washington has started intense preparations for spreading the arms race to outer space, thereby raising the sword of Damocles over humankind.

The feverish arms race launched by militarist circles seeking to upset the strategic military parity existing in the world and obtain an "edge of power" over the Soviet Union and the socialist community as a whole, poses a serious threat to international stability and undermines its foundation.

In the context of imperialism's overt reliance on violence in international relations, the socialist states' struggle to ensure the just principles of international relations and preserve and consolidate international peace becomes ever more important. To this end the socialist community countries constantly put forward new ideas and proposals aimed at strengthening peace, developing normal relations based on mutual respect and trust with all states, including those with a different social system. This is what makes the socialist countries' international policy differ in principle from that of imperialism.

The Soviet Union's position with respect to the capitalist countries was spelled out clearly at the March 1985 Plenary Meeting of the CC CPSU. "We will resolutely follow the Leninist course of peace and peaceful co-existence," the Plenum noted. "The Soviet Union will always respond with good will to good will, with trust to trust. But everyone must know that we will never forfeit the interests of our Motherland and its allies."

Such relations must be based on the revival of the detente of the 1970s, on the establishment and expansion of peaceful, mutually beneficial cooperation between states on the principles of equality, mutual respect and non-interference in internal affairs. This is an urgent necessity, especially now that humanity is threatened with a nuclear war as a result of the ever increasing nuclear arms race, now spread by the US ruling quarters to outer space. A reasonable way out from such a situation can be found only in an honest and equitable agreement putting an immediate end to the arms race, primarily the nuclear arms race on the Earth, and preventing it from spreading to outer space. Such an agree-

ment would bring us all closer to achieving the goal we desire—completely destroying and banning all nuclear arms forever, thus eliminating the threat of nuclear war.

RELYING ON FORCE

The dynamic development of the world today gives use to new phenomena and rapid changes in the strategic military situation. The spiral of the military-technological revolution is taking a new turn in the 1980s, providing a launching pad for a breakthrough in the development of a qualitatively new weapon.

The "Strategic Defence Initiative" (SDI), advanced by US President Ronald Reagan, a plan for the construction of a space anti-ballistic defence system, is an alarming omen of such changes.

The US administration and the Pentagon are planning to do the groundwork to upset the current strategic parity between the USSR and the USA to secure American military superiority. This is the essence of the process initiated by the White House and the Pentagon in order to exploit the factor of military power in the context of the confrontation between the two social systems.

President Reagan launched the "Strategic Defence Initiative" two years ago. Its aim is to develop a large-scale anti-missile system with some of its components deployed in outer space. The US administration has taken practical steps to implement the SDI plans. To this end, enormous funds have been allocated, numerous contracts have been signed with firms producing arms, and many R&D centres have regeared their activities.

This acute problem was in the centre of attention at many international scientific forums. Their participants, including prominent scientists from the USA and other NATO countries, authoritatively declared that the development of space weapons, including anti-satellite and anti-missile systems, would not enhance strategic stability and international security (as the US strategists allege), but, on the contrary, would only work against them.

The armed forces and armaments of the sides confronting each other make up a complex system whose components include both offensive and defensive weapons. Preservation of the approximate parity and respect for the principle of equal security of each side are a chief criterion of the system's stability.

Indeed, the strategic military balance between the USSR and the USA globally, and between the WTO (Warsaw Treaty Organisation) and NATO regionally is, in fact, the basis of the current international situation. This basis undoubtedly plays a decisive part in efforts to prevent war, curb the arms race and defuse international tensions. Washington's attempts to develop an anti-missile defence system with space-based components clearly threaten to destabilise the strategic situation.

In advancing plans to develop space weapons, the US administration alleges that they would be purely defensive. At the same time, Washington is trying to conceal the fact that the emergence of new space weapons would seriously alter the existing balance of forces.

Back in the late 1960s and early 1970s, when the USSR and the USA began discussion on strategic weapons, they both acknowledged that strategic offensive and defensive arms are closely related. Accordingly, in 1972 the USSR and the USA simultaneously concluded an open-ended Treaty on the Limitation of Anti-Ballistic Missile Systems and an Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms (SALT-I). Thus, both countries shared the view that only mutual restraint in anti-missile defences would allow them to

make headway in limiting and reducing offensive weapons. In recent years, however, the United States has been trying to remove the obstacles to an unbridled arms race, both offensive and defensive.

The course of public debate in the USA was, to a certain extent, influenced by criticism of Washington's plans to develop a large-scale anti-missile defence system, particularly on the part of competent scientists who had come to the conclusion that a 100-per cent fail-safe anti-missile shield would be impossible to develop. Moreover, they repeatedly warned Washington that such a system would inevitably be considered by the other side as a first-strike capability. Compelled to reckon with this scientifically-based criticism of plans to develop and deploy space weapons, American proponents of the system made an attempt to shift the emphasis of their arguments. While occasionally admitting that space anti-missile weapons would not provide an "absolutely impenetrable shield", they now emphasised that these weapons would allegedly raise the "degree of uncertainty" for the adversary and hinder its military planning and construction. Yet this "argument", too, does not hold water.

The US intentions to continue massive research and development aimed at producing space weaponry run counter to the logic of arms limitation and reduction and improvement of the political atmosphere in Soviet-American relations.

The wish of certain US circles to make their dream of "star wars" come true is confirmed by the launching of the "Discovery" spaceship which was effected in top secrecy. This space flight had been entirely programmed by the Pentagon.

The facts show that the various blueprints of the space anti-missile system now under study in the United States seem to be intended not only for destroying satellites and strategic missiles after their launching, but also as a first-strike weapon to hit earth-based objects.

Some foreign experts justly note that the use of space-based strike weapons against the USSR and its allies will not bring about the effect their creators are longing for because the Warsaw Treaty countries will surely be able to develop adequate anti-space defence systems to protect their territory. Yet the space arms systems now being developed in the United States, may with good reason be considered as a potential means for the use of military force against those countries which will be unable to build a corresponding defence capability. Developments in recent decades show that US imperialism is prepared to use military force whenever it is sure not to meet a resolute repulse and wherever the United States is not threatened with a retaliatory strike. The public and leaders in developing as well as in some developed capitalist countries are being increasingly aware of this and come out against the US plans to develop space weapons.

After the Soviet Union had achieved strategic parity with the United States, Washington made several attempts to disrupt it and gain superiority, primarily by qualitatively improving and numerically increasing the warheads of strategic nuclear weapon carriers. To preserve the parity and dispel all illusions that the USA might be able to gain an edge over the USSR, the latter was forced to take necessary measures in response. They were and still are carefully measured and weighed, and are aimed exclusively at maintaining the balance, not at achieving superiority. That was the intention behind some measures, taken by the USSR and its allies in response to the first stage of deployment by the USA of medium-range missiles in Western Europe. Thanks to the measures being taken by the USSR, the nuclear equilibrium is being restored but on a higher level.

Strategic parity between the USSR and the USA plays an important stabilising role not only in their mutual relations but also as regards the international situation as a whole.

Numerous public gatherings, including academic forums, and UN General Assembly debates have shown that the international community is increasingly aware of the truth that neither international security nor the security of an individual country can be guaranteed by developing ever new systems of weapons, to say nothing of space weapons.

The quantitative and qualitative changes in the system of American military deployment outside the USA must be viewed as directly relevant to Washington's policy to upset the strategic balance between the USSR and the USA.

Nearly 1,500 US military bases are deployed on the territory of 32 countries, with 500,000 American troops stationed there permanently. The system of bases is a rather serious destabilising factor outside US territory insofar as it is a concentration of force (including nuclear missile capability) trained for waging wars of aggression in any part of the world.

Most US bases are in close proximity to Soviet territory. In West Germany, for example, there are nearly 200 bases and centres where US weapons are deployed. Washington intends to pull its permanently stationed military garrisons in Western Europe still closer to the borders of the Warsaw Treaty countries and set up new bases there. In East Asia, the United States has stationed 350 military installations near the Soviet border.

The Asian continent has a leading role to play in American military-political aggressive designs. The subversive activities of the forces of imperialism on that vast and strategically important continent with immense natural and manpower resources continue to aggravate the international situation. Asia was the stage for the overwhelming majority of wars and armed conflicts triggered by imperialism and reaction following World War II. There are still quite a few major and minor hotbeds in that region to this day.

Under the guise of "safeguarding" the security of Asian countries, US imperialism impertinently interferes in their internal affairs and declares vast Asian regions to be the sphere of American "vital interests". Recent years have witnessed the massive build-up of the US military presence in Asia, and more and more new American military bases are being established there.

Quite recently the White House gave the go-ahead to the US military command to deploy nuclear weapons in eight foreign lands, including the Philippines and the island of Diego Garcia in the Indian Ocean. The second largest (after Western Europe) contingent of US armed forces, including the rapid deployment force headed by CENTCOM (Central Command) is concentrated in the Pacific and Indian Oceans. CENTCOM's sphere of action includes 19 countries in Southeast Asia, the Middle East and Africa. The Indian Ocean has become a dangerous breeding ground of military tension which is a threat to peace since the Pentagon has set up a ramified network of military bases with a centre on Diego Garcia. Washington has loudly proclaimed the vast region whose population numbers one billion, i. e., a quarter of the world population, to be a sphere of its "vital interests". By now, the United States has built 30 military bases in the Indian Ocean and the Persian Gulf, concentrated 1,500 combat aircraft, 800 ships and a large contingent of the interventionist rapid deployment force there.

US military forces planning and command of operations in the Indian Ocean and the Persian Gulf are entrusted to CENTCOM. The latter is also engaged in activities connected with the realisation of the American programme to militarise outer space. The establishment of the Pentagon's bridgehead in the Indian Ocean and the Persian Gulf provokes serious

concern not only among the littoral states, but also among the overwhelming majority of UN member-states.

In the Far East, Washington is planning to set up a large-scale military structure whose backbone will be the Washington—Tokyo—Seoul triangle. Plans are being contemplated to deploy medium-range nuclear missiles, such as Pershings and Tomahawks, both in the Far East and in South Asia. The Pentagon is thus gradually turning these regions and subregions into bridgeheads for potential nuclear conflict.

This spring the Pentagon conducted large-scale military manoeuvres, code-named Team Spirit-85, on the Korean peninsula. This action, in the form of preparation for combat operations in East Asia, was preceded by the concentration and deployment of a 200,000-strong army there. These were US and South-Korean units armed with everything necessary for warfare, including nuclear arms. As the Japanese newspaper *Akahata* noted, American actions within the framework of the Team Spirit-85 manoeuvres actually involved Japan in the notorious militarist Washington—Tokyo—Seoul triangle. The newspaper came to this conclusion on the grounds that US troops airlifted to the zone of the manoeuvres from US military bases on the Japanese islands, made up a considerable part of the forces participating.

American imperialism is vigorously arming Pakistan, making it its stronghold in the region, a component of the "defence alliance" Washington is planning to set up in South Asia and the Persian Gulf area. The Pentagon is also planning to deploy nuclear missiles on Pakistani territory.

The forces of imperialism spare no effort to sidetrack the Republic of India from its traditional course of positive neutrality, to destabilise the internal situation there and undermine India's friendly relations with the Soviet Union and other socialist countries.

Under ever increasing pressure from the United States, the militarist orientation of the Japanese ruling circles' policy is becoming more evident. Japan is increasingly siding with NATO and is participating more actively in the US administration's strategic plans as regards the Asian-Pacific region.

Geographically, the Country of the Rising Sun is far away from Western Europe. Yet a glance at the map will suffice to explain why the strategic military interests of Japan and NATO coincide. The territory of the Soviet Union and the socialist community countries lies in-between Japan and the NATO bloc. It was this "community of interests" that Kurihara, head of Japan's National Defence Agency, had in mind when he said that Japan and NATO's European members were not only the USA's allies, but also directly adjacent to the Soviet Union in the Far East and in Central Europe. That was also the motive behind his proposal to organise an exchange of military information about the USSR between NATO and Japan.

Several years ago relations between Washington and Tokyo were, for the first time ever, officially characterised as an "alliance". Ever since then it has been increasingly evident that US ruling circles wish to equate the US-Japanese "security treaty" to the North Atlantic Pact and, consequently, to impose on Japan military obligations similar to those undertaken by NATO's West European members. Significantly, the problem of Japan's "NATOisation" emerged when the USA had resolved to have the same freedom of action on Japanese territory as it has, for example, in West Germany, Britain or Italy, without any special restrictions, such as the "three non-nuclear principles".

Tokyo's further involvement in Washington's global strategy is evident. Washington makes no secret of the fact that the USA-Japan alliance is the cornerstone of its military efforts in the region. It is also evident that

the US-Japanese alliance is spearheaded against the interests of the USSR and the other socialist countries, as well as against the interests of other Asian countries.

The massive arms supplies to the South Korean regime and the knocking together of the military-political Washington—Tokyo—Seoul triangle are links in the chain of measures taken to establish the US-Japanese "security system". NATO's strategists are also planning to include the ASEAN countries and Taiwan in that system.

By pursuing a policy hostile to the cause of peace, national independence and social progress, the imperialist and hegemonist circles obstruct the development of goodneighbourly relations between Indochina's socialist countries and the ASEAN member-states.

According to the Bangkok-based *Nation Review*, military authorities in the United States and Thailand are considering the construction of arms and munition depots for the Pentagon on Thai territory "in case of emergency". The aim of this scheme is clear: following its defeat in Indochina, US imperialism has not abandoned its plans to penetrate Southeast Asia, also proclaimed by the USA a "sphere of its vital interests". The United States uses the "Kampuchean problem" and the mythical Vietnamese "threat" to Thailand as pretexts for interfering in the internal affairs of the sovereign states of Indochina. US military assistance to Bangkok grows every year.

Plans to turn ASEAN into a military bloc or to include this association into a "Pacific community", planned by the US, are prominent in US Asian policy. The USA's and Japan's militarist policies in Southeast Asia pose a serious threat to peace and security in the Asian region and to international peace and security as well.

STRATEGY IN THE INTERESTS OF HUMANKIND

The world socialist community's responsibility to preserve peace and avert nuclear catastrophe is especially great given today's international situation. With the word "peace" inscribed on its banner from its very inception, socialism countered imperialist policies with a new type of international relations based on a fundamentally new approach to inter-state problems. The Leninist concept of peaceful coexistence of states, irrespective of their social system, is an inalienable part of this approach.

In today's complex international situation, the world communist and working-class movement regards the prevention of a new world war, especially a nuclear war, as its most important task. The growing participation of working-class organisations in the anti-war movement gives it a massive scale and makes it organised and effective. The socialist community makes a decisive contribution to averting nuclear war. For the first time ever, the struggle against the war threat has become the common cause of a group of states, rather than the international public or the Soviet Union alone. Socialism considers this its principal duty before humanity at the current stage of its history.

An awareness of this duty underlies all the socialist community countries' foreign policy activities. Of paramount importance in this context is the fact that the Soviet nuclear missile capability restrains the "hawks" in the United States from embarking on military adventures. The joint military might of the Warsaw Treaty countries ensures their own security and serves as a bastion of peace in Europe and elsewhere.

At the same time the Soviet Union and the other socialist countries are doing their best to check the arms race, defuse international tensions and begin the process of disarmament. The Soviet government and people

are ardently striving to preserve and consolidate peaceful conditions for their creative endeavours.

Soviet foreign policy is clear and consistent. As was stressed at the March 1985 Plenary Meeting of the CC CPSU, it is a policy of peace and progress.

The strategic course outlined by the 26th CPSU Congress and the subsequent Plenary Meetings of the CC CPSU was and remains unchanged. This means that all the Soviet Union's actions and aspirations will be directed towards peaceful, creative work.

Lenin outlined the main principles of the foreign policy of the CPSU and Soviet government in his historic "Decree on Peace". Socialism is peace. It can maintain no other policy. It is prepared for the competition between the two systems and it will prove its advantages, yet not by force of arms, but rather by force of example in all spheres of society's life. The greater role and influence of socialism in the world, the more promising the cause of liquidating wars, the cause Lenin spoke about.

The CPSU and the Soviet government's prime objective in foreign policy is to safeguard and consolidate the USSR's fraternal friendship with its closest allies, the socialist community countries. The common resolve to continue to improve their allround political, economic, ideological and other cooperation, is of great importance. It was expressed at the March 13, 1985 meeting of the CC CPSU General Secretary Mikhail Gorbachev with the heads of the visiting party and government delegations of the Warsaw Treaty member-states. It was stressed there that the fraternal socialist countries' consolidated unity and cohesion, the enhanced coordination of their actions on the international scene are very significant in the complex international situation. The authoritative statement made at the March 1985 Plenary Meeting of the CC CPSU to the effect that the Soviet Union wants a serious improvement in its relations with the People's Republic of China and considers it quite possible if there were reciprocity, was met with a lively response throughout the world.

In its struggle for peace and social progress, the CPSU will continue to cooperate closely with the fraternal communist, workers' and revolutionary-democratic parties and to favour the unity and active interaction of all revolutionary forces. The Soviet people express their solidarity with the heroic struggle of the peoples repelling the neo-colonialist onslaught of imperialism unleashing "undeclared wars". Their sympathy is invariably on the side of the Asian, African and Latin American countries which have embarked on the strengthening their independence and social renewal. These are the Soviet people's friends and partners in the struggle for lasting peace and for better and just international relations.

The participants in the March 1985 meeting of the heads of the party and government delegations of the Warsaw Treaty countries have confirmed their resolve to work towards the elimination of the threat of nuclear war, the adoption of effective disarmament measures, above all for nuclear disarmament, and the prevention of the militarisation of outer space. This is a truly universal programme of action for all countries seeking peace. In their struggle for a lasting peace and better and just international relations, the socialist countries rely on their friends and partners—the Asian, African and Latin American countries which are consolidating their independence and implementing social reforms. The USSR and the other socialist community countries are prepared for a practical partnership with the capitalist states, too, to safeguard universal peace. Only joint efforts can ensure international peace and security.

People in the Soviet Union are aware of the profound ideological contradictions dividing socialism and capitalism. Yet the CPSU and Soviet government are certain that these contradictions should not bear on inter-state relations. These should be based on generally accepted princip-

les, such as equality, respect for the sovereignty and independence of all countries, non-interference in their internal affairs, cooperation in the interests of securing peace, and the development of mutually beneficial contacts in various fields.

The USSR favours a further process of detente. An end to the arms race on the Earth and the prevention of its spread to outer space are important prerequisites for success in this area. That was the principle underlying the Soviet delegation's position at the Soviet-American talks that began on March 12 in Geneva.

The Soviet Union's policy of peace once again confirms that socialism's fundamental objectives and principles, in the final analysis, express the deep-seated interests of the whole of humankind. The strategy of the CPSU and Soviet government meets the interests of the Soviet people and of mankind as a whole. The Soviet Union's policy is fully consonant with people's just aspirations, and its practical activities are designed to realise these aspirations. Reaching effective agreements which would prevent an arms race in outer space and stop it on the Earth is a matter of great priority on this road.

The Soviet Union's position is precise and clear-cut: the USSR consistently comes out in favour of enhancing international security, preventing the deployment of weapons in outer space, banning the use of force in outer space and from it in relation to the Earth, and from the Earth in relation to space objects. Offensive space weapons based on any mode of operation or deployment must not be developed, tested or deployed for their use either in outer space or from it, against targets on Earth, in the air or in the sea. The systems already developed must be destroyed. A radical solution of the problem of preventing an arms race in outer space would open up the way towards radical mutual reductions in the level of nuclear confrontation up to and including a complete liquidation of nuclear arms. This, of course, would be possible provided that the principle of equality and equal security were strictly adhered to.

All countries welcome the fact that a serious and fruitful discussion of these problems is possible today. The understanding as regards the purpose and subject of the current Soviet-American talks in Geneva opened up this possibility. This understanding provides a correct and, in fact, the only possible framework, in the prevailing situation, for finding a solution to the problem of nuclear and space weapons. Today, it is impossible to limit, to say nothing of reduce, nuclear weapons without taking effective measures to exclude the militarisation of outer space. This is an organic interconnection and it is clearly spelled out in the joint Soviet-American statement.

Another point of principle is the complete liquidation of the nuclear arms which must be the outcome of both sides' efforts to limit and reduce armaments. For the Soviet Union, which is inherently peaceful and which has no people who make money on the arms race this is not a problem. It is rather a long-cherished objective. The USSR has consistently and perseveringly come out in favour of liquidating nuclear arms from the moment of their invention. As regards the United States, however, it has, until recently, been shunning even talks on the subject of the complete liquidation of nuclear arsenals.

One can understand the importance of the framework of the talks agreed upon. It makes it possible to engage in serious and purposeful negotiations. Hard and strenuous work lies ahead. Yet the existing difficulties can be overcome. Goodwill, readiness to reach reasonable compromises and strict observance of the principle of equality and equal security are all that's needed. The Soviet Union is willing to act accordingly. The United States must do likewise.

Unfortunately, some developments can only make one suspicious. Arms production in America is running in top gear and there are no signs of a slow-down. The US administration backs the already notorious "Strategic Defence Initiative", though no florid verbiage can conceal its aggressiveness. The "star wars" programme is an attempt to make it possible for the US to deliver a first nuclear strike with impunity, hiding behind an anti-missile space "shield" which would protect it from a retaliatory blow. This exposes the same American imperialism's course to attain a decisive military edge with all its dangerous consequences for the cause of peace and peoples' freedom. The Soviet Union resolutely opposes the SDI concept and relevant US plans.

Time and again the US administration committed one and the same serious miscalculation, taking the USSR's sincere interest in halting the arms race as a sign of weakness, and speeding up American new military programmes. There are still people who similarly interpret the Soviet call to renounce the militarisation of outer space. It is high time to understand that the USSR so strongly opposes the spread of the arms race to outer space not because it will not be able to frustrate Washington's current plans. If the Soviet Union is compelled to, it will do everything (as was the case in the past) to ensure its security and the security of its allies.

Detente and peace are in mankind's best interests. The militarisation of outer space will inevitably increase the danger of war and trigger an unbridled arms race in all directions. No one will be lulled by the propaganda ploy alleging that the US space programmes are harmless, designed to ensure "defence" and "so far" involve purely scientific research. Alarmingly, history reminds us that once upon a time a scientific project code-named Manhattan turned into an atomic inferno for the inhabitants of Hiroshima and Nagasaki. The time we live in and our faculties of reason demand that a new sinister danger to mankind, now coming from outer space, be averted.

With gratitude and hope people throughout the world welcome the Soviet Union's constructive policy as regards the cardinal problems the solution of which affects the very future of civilisation. All Soviet people unanimously approve and wholeheartedly support the resolute policy of the CPSU and Soviet government designed to curb the arms race and ensure peace. Together with all peaceloving people of the world, they demand that the danger of nuclear war be averted and an outer space be kept peaceful for the good of all people on the Earth.

The socialist community has frustrated imperialist designs to exhaust socialism economically. In recent years the socialist countries have made further strides in their socio-economic development. Economically, they are becoming less vulnerable to outside influences. The socialist community has prevented the United States and its allies from upsetting the strategic military balance in their favour.

Soviet foreign policy hinges today on the struggle to halt the arms race imposed by imperialism and ward off the threat of world nuclear war. The Soviet Union does not seek any unilateral advantages vis-à-vis the United States and the other NATO countries, nor does it want to gain military superiority. The USSR wants to live in peace with these countries and maintain normal, good relations with them. The Soviet Union urges a halt to the arms race. This is why it calls for preliminary measures, such as freezing the parties' nuclear arsenals and halting any further missile deployment. The Geneva talks should not be used to justify and camouflage the continued build-up and deployment of the armaments of mass destruction. That would be a deception of humanity and a crime against it. The USSR's proposal is to seriously and actually reduce the existing stockpiles of weapons and, to begin with, to destroy

their greater part, rather than to take the road that would lead the planet to catastrophe, i. e., the road of developing ever new systems of arms both on earth and in outer space, offensive and, allegedly, defensive. Viewed from this angle, the Soviet foreign policy's ultimate goal is the complete destruction of all nuclear weapons everywhere, on the Earth and above it, i. e., the complete removal of the threat of nuclear war. Opinions at the Geneva talks still greatly differ as regards the vital issues of ensuring peace on Earth and the security of countries and peoples, averting the threat of nuclear war both on the Earth and in outer space. Yet agreement is terribly necessary and quite feasible.

THE PEACE OFFENSIVE

Mankind has come to a turning point in its history. Its very survival depends on what turn developments will take, on whether a way will be found to improve the international situation, and on whether people will succeed in preventing the arms race from spreading to outer space and in halting this process fraught with catastrophe. The planet faces a dilemma: either the world will continue its downhill slide to the abyss of an arms race and the apocalypse of nuclear war or humankind will win the historic battle to preserve peace and civilisation, the very life on Earth.

The struggle to avert nuclear war and to maintain peace on Earth, which the USSR and the other socialist community countries wage so staunchly and consistently, is in keeping with the vital interests and aspirations of all countries and peoples, of the overwhelming majority of mankind. It is no accident that the Soviet Union's principled policy enjoys wide support and understanding. This policy is aimed at creating a climate of trust and establishing the principles of peaceful coexistence. It vigorously calls upon the United States to abandon its adventurist and senseless designs to gain military superiority and to take the road of realism.

The USSR is honestly prepared to do its share to work out a mutually acceptable agreement. Now it is the other side's turn to express its similar readiness to respect our rights and lawful security interests, not to seek an upsetting of the existing balance of forces, and to refrain from all actions running counter to the purpose of the Geneva talks. *The Washington Post* inadvertently admitted that Soviet foreign policy was serious and attractive when it wrote recently that the Soviet Union seemed to have launched a new peace offensive and that NATO spokesmen were struck by an avalanche of Russian initiatives. Aware of its responsibility for mankind's future, the USSR believes that the complex international situation calls for urgent practical steps to be taken to improve it and create a more favourable international climate.

The Soviet Union has suggested that a moratorium be introduced by the USSR and the USA, for the whole period of the Geneva talks, concerning the creation (including R&D), tests and deployment of the strike space weapons, that both countries freeze their strategic offensive weapons. Simultaneously, the deployment of US medium-range missiles should be stopped in Europe and, relevantly, the build-up of the Soviet counter-measures. The Soviet Union, demonstrating its good will, has unilaterally introduced, up to November 1985, a moratorium for the deployment of its medium-range missiles and suspended other counter-measures in Europe. Further developments will depend on US actions, on whether it follows the Soviet example. So far, the first stage of the Geneva talks has shown that the US is unwilling to attain agreement with the Soviet Union. It has been ignoring the agreement reached by the two sides before, on

the interrelation of the three directions of the dialogue. Washington's old line toward attaining a dominance in the world is futile.

The danger of nuclear war, with its dire consequences for modern civilisation, has involved the immense masses of people in all countries and on all continents in the struggle for peace. Increasingly broader masses are seeking ways to influence the course of international relations by opposing the arms race. The increasingly active and wide-scale anti-nuclear demonstration are turning this movement into an important factor in international politics. The anti-war movement reduces the imperialists' opportunities to pursue an adventurist international policy.

In recent years the struggle between the forces of war and the forces of peace has grown especially acute. The anti-war movement has taken on an unprecedentedly wide scale, while the masses have been acting with unprecedented vigour and self-sacrifice. The participating groups were of various ideological orientation, their actions were sometimes spontaneous and unorganised and lacked coordination so vital to the success of their struggle. But just as rain drops make streams, streams make rivers and rivers feed oceans, so anti-war organisations and movements, old and new, more experienced and less experienced, ultimately become a great force to be reckoned with even by the most hot-tempered representatives of the forces of war.

As regards the peace movements in the Soviet Union and the other socialist community countries, they have been active in the global peace drive for more than 35 years and are led by the World Peace Council. In recent years they have become even more massive, their activities even more purposeful. The Programme of Peace for the 1980s, worked out by the 26th CPSU Congress, inspires them in their practical activities.

An unbiased analysis exposes the falsehood of NATO leaders' prophecies about a "decline" in the anti-war movement after the deployment of new US missiles in Europe. There is growing support everywhere for demands not to militarise outer space, to limit and reduce nuclear armaments, to take on the obligation not to be the first to use nuclear arms, to freeze nuclear arsenals, to ban tests of all types of weapons of mass destruction and to ban their development and production, and to set up nuclear-free zones in Europe and other regions. These demands have been supported by a number of international forums of peace activists of various ideological convictions, sometimes even diametrically opposed. These forums are a platform for action for numerous national anti-war organisations and movements on various continents.

A meeting of the heads of state and government of six non-nuclear countries representing various geographical regions was held in New Delhi recently. They adopted a joint document, the New Delhi Declaration, calling upon peoples, parliaments and governments of the whole world to take urgent measures to put an end to the nuclear arms race.

A session of the Presidium of the World Peace Council was held in Moscow this spring; 400 representatives from various public and other organisations and liberation movements in more than 100 countries attended the forum. They discussed some topical issues of the current day, problems relevant to intensifying the peace struggle, liquidating existing hotbeds of military tension and assisting countries which have cast off colonial bondage in consolidating their sovereignty.

The documents unanimously adopted at the session were widely acclaimed: the Declaration of the Presidium of the World Peace Council on the Occasion of the 40th Anniversary of the Great Victory over Hitlerite

Germany and Militarist Japan, and the Appeal to the Peoples of the World to Raise Their Voice in a Mighty Worldwide Campaign Against the Militarisation of Outer Space.

The Moscow forum has again demonstrated that the different political, ideological and other views of those who have joined the ranks of the anti-war movements do not impede their joint action in the name of safeguarding the most valuable thing on earth, the right to live in peace.

The appeal of the participants in the Moscow forum says that a terrible danger looms over mankind, the very life on our planet is threatened. Continuing US efforts to realise the "star wars" programme threaten to torpedo Soviet-American talks in Geneva. The forum participants have urged all movements and organisations, peoples and governments advocating peace and working towards the prevention of nuclear war to raise their voice in a worldwide campaign against the militarisation of outer space, to stop the "star wars" preparations and to ensure success at the Geneva talks. This is the key task of the world politics.

The Communist Party of the Soviet Union has been steadfastly following the Leninist course in its foreign policy. That was precisely the attitude abroad to the results of the CPSU Central Committee's Plenum held in Moscow on April 23, 1985, and this is how our brothers and allies, all those who hold dear the cause of socialism, freedom and democracy, have understood it.

Soviet major peace initiatives were reiterated at the summit meeting of the Warsaw Treaty states. Speaking in Warsaw, Mikhail Gorbachev said, "Today we are calling on all countries of Europe and other continents for neglecting all disagreements, and becoming partners in the campaign against new danger, threatening the whole of mankind, the danger of nuclear extermination."

The Appeal to the Peoples, Parliaments and Governments of all Countries, issued by the CPSU Central Committee, the USSR Supreme Soviet Presidium and the USSR Council of Ministers says in part, that "taking into consideration the lofty mission of preserving universal peace, vested in all the states, their parliaments and governments, and aware of its responsibility for the destinies of the world and humankind, the Soviet Union appeals to all the peoples, parliaments and governments to heed the voice of reason, to stop, by vigorous joint actions, the sliding into a dangerous abyss of the nuclear catastrophe, and to bar the way to a new war".

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USSR WW II CONTRIBUTIONS

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[Article by Maj-Gen A. I. Babin, professor and doctor of historical sciences:
"The USSR's Decisive Contribution to the Defeat of the Fascist-Militarist
Bloc"]

The spring and autumn of 1945 are associated in historical records with the defeat of Nazi Germany and militarist Japan, the states which initiated World War II, the greatest mass massacre in human history. The victory over them won in a fierce armed struggle was a tremendous historic event. It had a profound impact on subsequent world history and the future of the human race.

World War II lasted for six years and involved almost all the continents. All in all, 61 countries with a population of 1,700 million, or roughly 70 per cent of the world's population at that time, were drawn into the war. Its scope, intensity, destructive power, the human and technical resources involved and the aftermaths were unprecedented in previous history. The theatre of operations encompassed the greater part of the globe, though the main battlefields were in Europe, on a large part of the Asian continent, in East and North Africa, and in the Atlantic, Pacific, Arctic and Indian Oceans. Hostilities raged on the territory of 40 countries with a total area of 22 million sq. km. Vast human and material resources had to be mobilized in the war. It affected all spheres of peoples' and states' activities. More than 110 million were enlisted in various armies.

The victory over the Nazi militarist axis was achieved through the combined efforts of the peoples and armies of the coalition countries that fought for justice and liberation. However, every country's real contribution to the Victory was different. The basic criteria to measure each country's contribution are as follows: the political, economic and military damage inflicted on the enemy in the course of war, the quantity of defeated and captured units and formations, and the amount of military hardware destroyed.

Judging by these criteria, there is no doubt that the brunt of the war against the fascist axis was borne by the Soviet Union and its people and armed forces led by the Communist Party.

The CPSU Central Committee resolution "The 40th Anniversary of Victory of the Soviet People in the Great Patriotic War of 1941-1945", stated: "Having defeated the enemy, the Soviet people and its armed forces, led by the Communist Party, upheld the freedom and independence of the socialist Motherland and the cause of the October Revolution. They made a decisive contribution to the victory over Nazi Germany and its allies, to the liberation of European nations from fascist slavery, and the salvation of world civilization; they fulfilled their patriotic and internationalist duty with flying colours. In this lies the greatest service they have rendered mankind".¹

What are the specific components of this contribution to the Great Victory?

¹ Pravda, June 17, 1984.

June 22, 1941... This day will never be erased from the memory of the Soviet people. At dawn, Nazi Germany, treacherously violating the non-aggression pact, made a powerful surprise attack on the Soviet Union without formally declaring war. Large formations of German infantry launched an offensive along the frontline stretching from the Baltic sea to the Carpathian mountains. Hostilities simultaneously broke out south of the Carpathian mountains along the Soviet-Romanian border up to the Black Sea. Italy and Romania were Germany's partners in the aggression against the Soviet Union from the very start; a few days later, Hungary, Finland and Slovakia joined in². That is how the Great Patriotic War of the Soviet people started.

The Soviet Union's entry into military action against the aggressive axis radically changed the military and political situation in the world. It marked a new phase in the world war and changed its character. "The social character of the war and its true meaning...", wrote Lenin, are determined by "the *policy* of which the war is continuation ('war is the continuation of politics'), the *class* that is waging the war and the aims for which it is waging this war"³. This time the war involved a powerful, most advanced socialist nation with a population of about 200 million people, occupying one-sixth of the globe's territory and possessing a vast military and economic potential and large armed forces. The Great Patriotic War marked the beginning of an extensive armed struggle of a socialist state against the strike forces of world reaction; the war was of an expressly class nature. The Hitlerite invaders encroached on the freedom and independence of the Soviet peoples; they threatened their social gains which embodied the hopes and aspirations of working people throughout the world. For this reason, the struggle of the Soviet people against the Nazi hordes was a just war in defence of the socialist country and the achievements of socialism, world civilization and social progress. Simultaneously, the Soviet people fulfilled their internationalist duty: they helped the working people of the countries which fell victim to Nazi aggression.

The Soviet Union's struggle was a decisive factor in radically changing the political nature of WW II which from the very outset was an imperialist, unjust war on both sides; with the USSR's entry into the war, it became a just war on the part of the antifascist coalition.

The Soviet Union was the military and political centre of the broad coalition of states which were fighting for just goals. On January 1, 1942 twenty six countries, including the USSR, the USA (which directed its war effort first against Japan in December 1941, and then against Germany and Italy), Great Britain and China signed a declaration on uniting their military and economic resources to defeat the fascist axis⁴. The very emergence of this military and political alliance proved that the Hitler leadership's calculations that the Soviet Union would be internationally isolated were mistaken and proved that Lenin was correct in his thesis that in the epoch of imperialism, as well as under certain conditions and with certain factors at work, a group of capitalist states can wage a just war against another group of capitalist states⁵.

The role and place of the Soviet-German front which was the major front of WW II in the military confrontation of the two coalitions were

² See *World War II. A Short History*, Moscow, 1984, p. 118.

³ V. I. Lenin, *Collected Works*, Vol. 25, p. 366.

⁴ See *The History of the Communist Party of the Soviet Union*, Moscow, 1980, pp. 477-478.

⁵ V. I. Lenin, *Collected Works*, Vol. 22, pp. 308-333.

characterized by resolute and clear-cut political and strategic objectives in the armed struggle, its immense scope, intensity and activity and the achievement of major military and political results which had a decisive impact on operations at other fronts and the world situation on the whole.

Nazi Germany and its satellites' strategical objective was to defeat the Soviet armed forces and to destroy the Soviet state. Every effort had been made to prepare the aggressor's armed forces to achieve this objective. The concentration of the Wehrmacht's human and material resources on the Soviet-German front exceeded enormously those of any other front in WW II. The two major military forces of the world clashed here in a deadly grip—the Soviet Army, created to defend socialist gains, and Hitler's Wehrmacht, the strike force of imperialist aggression. The course of WW II and the future of mankind depended on the outcome of this armed struggle.

The Soviet Union was attacked by an invading German army composed of 5.5 million officers and men in 190 divisions and 4 air fleets. It had over 47,000 guns and mortars, some 4,300 tanks and assault guns, and almost 5,000 war planes⁶. By June 1941 the aggressor had already conquered many European countries. It took Hitler 35 days to rout bourgeois Poland and one day to defeat Denmark. His troops occupied Norway, Belgium, Netherlands and Luxembourg. The French army was able to withstand the German attack for only 44 days. The nazis seized a number of countries in the Balkans and defeated the British expeditionary force—which had to be hastily evacuated to the British Isles—and bombed London and other British cities⁷. These defeats were retribution for the conspiratorial policies of Munich which some bourgeois states sought to implement to impair Soviet interests. The capitalist world, in fact, was unable to muster forces to stop the aggressor.

In the first weeks and months of the war against the Soviet Union, the German General Staff felt satisfied and complacent. General Halder, chief of the infantry General Staff jotted down with pleasure in his diary that the German troops occupied the cities of Vilnius and Kaunas on June 24, the same day they had been captured by Napoleon in 1812. This led Hitler's generals to hope they would occupy Smolensk as quickly as Napoleon had and that Moscow would fall (which in their opinion was tantamount to the collapse of the Soviet Union) before the "the leaves fall in autumn," as Wilhelm II used to dream in his time. "Fuehrer thinks," Halder wrote on July 30, 1941, "that if we reach Smolensk in mid-June, the infantry will be able to occupy Moscow... in August"⁸. On July 4 Hitler solemnly declared: "I always try to put myself in the enemy's shoes. Practically, they have already lost the war"⁹.

Despite the original successes due to the surprise and treachery of the invasion, the German troops and troops of Germany's satellites failed to achieve their targets. Weakened by the heroic resistance of the Soviet army and people on all fronts of the gigantic battle, they were stopped near Moscow and suffered their first important defeat there since the beginning of WW II.

The world admired the heroism and self-sacrificing resistance of the Brest Fortress defenders, the persistence and stamina of the defenders of Odessa, Sevastopol and Kiev, the courage and combat skills of the men who defended besieged Leningrad and the approaches to Moscow, fighting to the last drop of their blood as well as the heroic labour of the civilians in the rear. These facts were evidence of the indomitable

⁶ See *The History of World War II (1939-1945)*, Vol. 12, Moscow, 1982, pp. 216-217.

⁷ *Ibid.*, pp. 33-34, 23.

⁸ F. Halder, *War Diary*, Vol. 3, Book I, Moscow, 1971, p. 66.

⁹ *Top Secret! For Commanding Staff Only!*, Documents and Materials, Moscow, 1967, p. 258.

patriotism of the Soviet people from the first to the last day of the war until the aggressor was smashed. Hitler's generals also had to admit these facts. For example, General Halder, mentioned above, writes in his diary on June 28, 1941: "The resistance... of enemy troops fighting so fanatically was very strong..."¹⁰ The next day he made the following note: "News from the front indicates that the Russians are fighting everywhere to the last man"¹¹.

The German army sustained heavy losses in manpower and military hardware. Suffice it to say that in the first three months of hostilities on the Soviet-German front the Hitlerites lost 500,000 men, including some 18,000 officers. This considerably exceeded their total casualties at the Western front since the war broke out. Some of the formations lost up to 50 per cent of their officers. Heavy damage was inflicted to military hardware. After the battle of Smolensk—in which the enemy suffered heavy losses—the situation on the Moscow-centred strategic theatre of operations radically changed. On July 30, 1941 the Germans had to switch over to the defensive here¹². To cut off the Soviet capital from other large economic centres and improve his troops' supply line, Hitler had to thrust towards the Ukraine and Central Russia up to the Don river, the Crimea and the Caucasus.

The vigorous efforts of the Soviet Communist Party in mobilising the country's economic and moral resources frustrated the German command's plans. When the German army failed to capture either the Crimea or the Caucasus, Hitler tried another offensive on Moscow. The fierce fighting near Moscow, however, exhausted the Hitlerite troops and reduced their offensive capacity to nought. On December 5 and 6 the troops of the Western, Kalinin and South-Western fronts launched a counter-offensive resulting in a resounding defeat of the nazis. The victory of the Soviet troops in the battle of Moscow dispelled the myth of the Wehrmacht's invincibility, buried plans for a *Blitzkrieg* and was the beginning of a turning point in the war. The strategic situation changed in favour of the Soviet army.

When the Soviet counter-offensive near Moscow was over (April 20, 1942), the German casualties (killed, wounded and MIA) exceeded 1.5 million, or one-third of the land troops involved in the action on the Soviet-German front. The Germans were pushed 150-400 km west of Moscow...¹³

The Soviet army neutralized the effect of the surprise invasion. It disproved nazi Germany's claims that the Soviet Union was militarily weak and unable to conduct modern warfare, that the Soviet army would not withstand German tanks and planes, that the Soviet rear was feeble and the Soviet Union would be isolated internationally. Using the advantages of the socialist system and its strong rear, the Soviet army proved to be a top notch fighting army. Assessing the Soviet army's performance and its impact on the course of WW II, US President Franklin D. Roosevelt wrote on May 6, 1942, that from the point of view of big strategy it was a plain and simple fact that the Russians were killing more enemy soldiers and destroying more of its armaments and ammunition than the other 25 Allied Nations' countries together¹⁴.

The German defeat at Moscow foiled the Hitler leadership's plans "to solve all continental problems in Europe" in 1941 and to relocate their forces after the "completion of the eastern crusade" for operations

¹⁰ F. Halder, *Op. cit.*, Vol. 3, Book I, p. 56.

¹¹ *Ibid.*, p. 60.

¹² See *World War II. A Short History*, p. 134.

¹³ See *The History of WW II (1939-1945)*, Vol. 12, p. 219; *World War II. A Short History*, p. 159.

¹⁴ See *World War II and Contemporaneity*, Moscow, 1972, p. 13.

against Britain, the USA and in the Middle and Near East. The Soviet victory eliminated the threat of a German invasion of Britain, strengthened the positions of nazi opponents in the USA, made the ruling circles of Japan put off indefinitely their plans to attack the Soviet Union, raised the international prestige of the Soviet Union, catalyzed liberation movements in the occupied countries and promoted a greater unity among the anti-fascist forces.

Nonetheless, the absence of the second front in Europe enabled nazi Germany not only to replenish its losses in the east, but to increase its military contingent there by 700,000 men above the original force that attacked the Soviet Union in June 1941.¹⁵ Having concentrated the bulk of its troops on the south-eastern theatre of operations, the nazis succeeded in taking the strategic initiative in the spring of 1942 and making a sweep over a vast area in the south of the Soviet Union. But, just as in 1941, they never achieved their main political and strategic goals, i. e. to seize the country's major military and economic centres, to crush the Soviet army, to put the Soviet Union out of action. In a fierce defensive the Soviet army exhausted and bled white the enemy, halted its advance on the Volga river and the approaches to the Caucasus, and prepared for a counter-offensive. The aggressor failed to complete any of its new strategic operations.

The major military and political event of that period was the battle of Stalingrad. After inflicting heavy losses on the enemy in the defensive, the Soviet troops launched a counter-offensive resulting in the defeat of five Hitlerite armies. All in all, the six-month battle of Stalingrad (from July 17, 1942 to February 2, 1943) cost the nazi bloc 1.5 million killed, wounded, captured and missing in action, or a quarter of their military force on the Soviet-German front. The Stalingrad catastrophe, according to Wehrmacht ex-officers, "dwarfed all war tragedies of the past"¹⁶.

The Stalingrad victory enabled the Soviet armed forces to take the strategic initiative and keep it for the duration of the war. Now they dictated their will to the enemy. The subsequent Soviet counter-offensive over a vast frontline from the Northern Caucasus to Lake Ladoga dealt devastating blows to the enemy and laid down the foundations for the massive expulsion of the invaders from Soviet territory.

The battle of Stalingrad was a turning point both in the Great Patriotic War and in WW II as a whole. Its main political and military results were as follows: a shift in the balance of forces at the Soviet-German front, a weakening of the "axis" power and international prestige, a crisis within the aggressive bloc, and a series of defeats and retreats of the invaders' armed forces.

Losing faith in Germany's victory, its satellites began to seek contacts with the allied powers for a separate peace. Turkey refused to join the "axis". Japan had to once again postpone its plans for a military campaign against the Soviet Union.

The principal events in the summer and autumn of 1943 were the Kursk and the Dnieper battles. 30 enemy divisions were routed in the battle of Kursk. The nazis lost some 500,000 officers and men and a great deal of military hardware. They sustained particularly heavy tank and aircraft losses¹⁷. As the result of the powerful offensive in 1943, almost two-thirds of the nazi-occupied Soviet territory was liberated.

The Kursk and the Dnieper battles put finishing touches to the turning point in the Great Patriotic War and WW II. But the second front, which was scheduled for 1942, was opened only in June 1944¹⁸. As

¹⁵ *The History of World War II (1939-1945)*, Vol. 12, p. 220.

¹⁶ *Ibid.*, p. 221.

¹⁷ See *Ibid.*, p. 222.

¹⁸ See *World War II. A Short History*, pp. 411-412.

before, the main burden of the struggle against the common enemy had to be borne by the Soviet people. In late 1944, the Soviet Union had to fight against 185 German divisions and 21 brigades, whereas its Western allies were dealing with only 74 Hitlerite divisions and 3 brigades¹⁹. Nonetheless, the Soviet armed forces not only banished the fascist invaders from the Soviet territory, but also embarked on their internationalist mission to liberate the peoples of Europe, including the Germans, from nazism. On May 8, 1945, Nazi Germany unconditionally surrendered.

During the years of the Great Patriotic War, 607 Nazi divisions were destroyed and taken prisoner at the Soviet-German front. The allied powers' score was 176 divisions; these much less efficient troops were mainly defeated and captured at a time when they were already doomed. Of the total 13,600,000 Wehrmacht soldiers and officers killed in action, wounded and captured during WW II, 10,000,000 fell on the Soviet-German front.

Bearing the brunt of the war in Europe and immobilizing the million-strong Kwantung army in the Far East, the Soviet Union contributed to the success of its Western allies on the Asian-Pacific theatre of operations. The Soviet Union's contribution to the victory over militarist Japan which still posed a grave threat at the final stage of WW II after Germany's surrender cannot be overestimated. US and British statesmen have more than once emphasized that at least a year and a half of colossal war efforts would have been needed to defeat Japan after Germany's capitulation. The US command planned to land its troops on Japan's major island of Honshu only in the spring of 1946. H. Stimson, US War Secretary at the time, reported to the President that the landing might take a toll of more than a million American lives alone. He expected more ferocious resistance to US troops than in Germany²⁰. In this context, the US Joint Chiefs of Staff suggested that pressure be exerted on the Russians to banish the Japanese army from the continent²¹.

Japanese ruling circles realized that the Soviet Union's entry into the war against Japan might speed up Japan's defeat and made every effort to prevent it. But the Soviet Union declared war on Japan on August 9, 1945. The decision was motivated by the following reasons: to ensure the security of the Soviet Union's Far Eastern borders and a lasting peace and justice in the Far East; to bring the end of WW II nearer; to assist the working people of East and Southeast Asia in their liberation struggles; and to restore Russia's historical rights to its territories illegally annexed by Japan. The Soviet Union announced this decision on August 8, 1945 in keeping with its allied commitments made at the Crimean Conference.

The USSR's entry into the war against Japan was a just act in the interests of the Soviet Union and all countries threatened by the Japanese militarists. It was highly appreciated by the governments and the public of the USA, Great Britain, China and other nations and by many millions of those unfortunate and oppressed languishing under the Japanese yoke for many years.

Within twenty-three days the Soviet army routed an almost million-strong Japanese force in Manchuria, deprived Japan of basic military facilities and made it accept the anti-Hitler coalition's demand for unconditional surrender. Thus, the USSR's entry into the war against Japan was a decisive factor in accelerating the end of the war in Asia.

¹⁹ See *The History of World War II (1939-1945)*, Vol. 9, p. 531.

²⁰ H. Stimson and McGeorge Bundy, *On Active Service in Peace and War*, New York, 1948, p. 619.

²¹ *Foreign Relations of the United States. Diplomatic Papers. The Conference of Berlin, 1945*, Vol. I, Washington, 1961, p. 905.

Defeating the Kwantung army, the Soviet troops liberated Northeast China, North Korea, South Sakhalin and the Kuril islands.

The victory over nazi Germany and militarist Japan—to which the Soviet people made a decisive contribution—was an event of great historic significance. It led to the collapse of reactionary governments in a number of European and Asian countries and to the creation of a world socialist system; it catalyzed the national liberation movement which eventually toppled the colonial system. The signing of unconditional surrender acts on May 8, 1945 in Berlin and on September 2, 1945 in Tokyo Bay was not only a finale of the long world war initiated by nazi Germany and militarist Japan and to the efforts of the anti-Hitler coalition led by the Soviet Union to stop this war, but also striking proof of the triumphant Leninist ideas concerning the defence of a socialist country and the victory of the forces of progress and socialism over reaction and fascism.

Forty years have passed since the end of WW II. The farther this tragedy recedes into human history, the more vividly we can realise the dramatic heroism of the Soviet people in this war and the Soviet Union's decisive contribution to the defeat of the dark forces of aggression and reaction and the positive changes in the postwar world.

At the time of the last world war and during the first postwar years, nobody questioned this historical fact. Later, however, some dishonest analysts in the West began to revise the history of WW II, specifically, particular countries' contribution to the defeat of the axis. The subject has become a target of sharp ideological controversy.

Reactionary bourgeois historians will go to any length to belittle the role of the Soviet Union and its armed forces in achieving the general victory over the enemy and to exaggerate the contribution made by other coalition members, specifically, by the USA and Britain. Seeking to fulfil reactionary imperialist circles' social order, bourgeois ideologists and historians take advantage of every opportunity to try to detract from the international prestige derived from the victory of the Soviet people and its armed forces over nazi Germany and its satellites, to sow discord in the socialist community of nations which sprang into existence after the end of WW II, and to prove to the world community that the reactionary imperialist circles' predatory schemes and their current aggressive policies, as well as their preparations for another world war against the USSR and other socialist nations are justified.

In an attempt to distort the role the Soviet Union played in WW II, reactionary bourgeois historians seek, first and foremost, to minimize the extent of its involvement in crushing nazi Germany, assuming that should this "minimal role" be proven, it would be unnecessary to discuss the role of the Soviet Union in WW II at all. At the same time, they seek to prove that the major blow defeating nazi Germany was dealt by the USA and Britain; moreover, that it was inflicted before the second front was opened and that the turning points in the course of WW II took place in the USA's Pacific theatre of operations, especially, in the battles for Midway and Guadalcanal islands.

In the foreword to a US publication on the subject, H. Commager and R. Morris write that, in the final analysis, the volume of US production alone, i.e., the ability of the USA to make enough bombers, ships, tanks, foodstuffs and fuel for its own needs and the needs of Great Britain, Russia and even China was the factor that pre-determined the turning point in the war²². The same view is shared by S. Silvestry, Ch. Howe and other bourgeois authors.

²² A. Buchanan, *The United States and World War II*, Vol. I, New York, 1964, p. XV.

West German historians H. Jacobsen and H. Dollinger maintain that seven "turning points" were decisive in WW II and they associate only one of them with the operations of Soviet troops (Stalingrad). American historian H. Baldwin holds that the outcome of WW II was decided by eleven battles ("great campaigns"). Among these he mentions only one won by the Soviet army (the battle of Stalingrad)²³. In all these versions, undeserved preference is given to the Pacific and North African theatres of operations, whereas the major front of WW II, the Soviet-German Front, is treated as secondary.

Many bourgeois historians make no mention whatsoever of the battles of Moscow and Kursk and other historic battles and strategic operations, but discuss the landing of a reinforced US infantry division on Guadalcanal island in August 1942, though this was a local, tactical operation. They also pinpoint the battle at sea near Midway island in June 1942 which, though a defeat for the Japanese, did not do away with their naval supremacy in the Pacific and had had no serious impact on the general course of the war.

Of course, the war at sea and in the air did inflict damage on Nazi Germany and, especially, on Japan, but the outcome of WW II was decided on dry land, as evidenced, for example, by the fact that Japan's attack on Hawaii on December 7, 1941, though disastrous for the US Navy, could not be a decisive factor in the US-Japanese war and never led to Japan's ultimate victory in this war. Nazi Germany's strategy, Wehrmacht leaders emphasized more than once, was continental and the US, British as well as Japanese leaders always gave priority to Germany's position in planning large-scale military and political actions. Until the day of Germany's capitulation it was considered by the US the primary enemy²⁴.

Without a close alliance with Germany and Italy, militarist Japan could not start a war against the USA and Great Britain and gain possession of territories several times exceeding its own. In 1941 Japan's military-industrial potential was ten times smaller than the USA's; its level of technological development was also much lower.²⁵ After the war the US committee investigating the results of US strategic bombing arrived at the conclusion that in launching its military campaign in the Pacific, Japan's top military and political leadership counted on the inevitable defeat of the USSR by Nazi Germany and quick successes of the Japanese armed forces. In this context, Great Britain was doomed and the USA would be left alone to face the aggressor and would have to put up with Japan's supremacy in the Pacific and East Asia²⁶.

General Marshall, then chief of staff of the US army, admitted that without the Soviet army's successful operations US troops would have been unable to withstand the aggressor and the war would have moved to the American continent²⁷.

Irrefutable historical facts testify that the Soviet people and its army, on their own succeeded in achieving a turning point in the struggle against Nazi Germany which was simultaneously, a turning point in WW II.

²³ H. Jacobsen, H. Dollinger, *Der Zweite Weltkrieg in Bildern und Dokumenten*, Bd. 4, München, 1968; H. Baldwin, *Battles Lost and Won, Great Campaigns of World War II*, New York, 1966.

²⁴ In R. Coakley, R. Leighton, *Global Logistics and Strategy 1943-1945*, Washington, 1968, p. 391.

²⁵ In *The United States Strategic Bombing Survey (USSBS) Summary Report: (Pacific War)*, Washington, 1946, p. 27.

²⁶ In *USSBS. The Effects of Strategic Bombing on Japan's War Economy*, p. 11.

²⁷ H. H. Arnold, Ernest J. King, *The War Report of George C. Marshall*, New York, 1947, p. 149.

Throughout the whole duration of WW II the Soviet Union had to keep 15-30 per cent of its military personnel and materiel in the Far East in full combat readiness²⁸ diverting them from the Soviet-German front where they were badly needed, particularly in the first years of the Great Patriotic War, both to ensure the safety of its Far Eastern borders and to prevent the million-strong Kwantung army from actively fighting against the USA, Britain and China. Thus, by late 1942, i. e., at the most crucial moment for Western allies in the Pacific theatre of operations and for the USSR at the Soviet-German front, the USSR counter-balanced the Kwantung army in the Far East with as many troops and military hardware as the USA and Britain, taken together, were using against the Japanese armed forces as a whole²⁹.

Japan could not use its Kwantung army extensively to beef up troops at other fronts even in critical situations. In the spring of 1945, Japan began to build up the strength of its troops in Manchuria again.

Objectively, the Soviet Union's containment of Japan's armed forces in the Far East was direct and valuable assistance to the anti-Hitler coalition throughout the whole of the war in the Pacific. In assessing the American contribution to the victory over Japan, bourgeois historians usually "forget" to take into account this containment which was a constant and important factor throughout the course of the war.

Some Chinese historians also "forget" to mention this, just as they are usually "unaware" of the fact that the Soviet Union's comprehensive assistance enabled China to resist in the Sino-Japanese war which broke out in July 1937 and to foil Japan's plans for a "lightning" war in China. The Soviet people render the struggle of the Chinese people against the Japanese invaders in WW II its due, but the local character of this theatre of operations limited their effect, if any, on the progress of WW II as a whole at any given period. It was the Soviet armed forces' containment of the Kwantung army that enabled the Chinese troops to maintain the status quo at the Sino-Japanese front for several years preventing the Japanese from taking more vigorous action. The Chinese troops were able to launch a general offensive only after the USSR entered the war against Japan in August 1945.

A typical method used by American and other bourgeois historians in estimating the role of the anti-Hitler coalition countries in defeating Japan is either to hush up or absolutely deny the USSR's contribution to the rout of Japan, nazi Germany's major ally.

The campaign to falsify the history of the war against Japan was started by President Harry Truman at the height of the cold war when he declared that the Soviet Union had made "no military contribution" to the victory over Japan.³⁰ This declaration has been a major premise for many a bourgeois writer. Seeking to belittle the role of the Soviet Union, many of them are out to prove that Japan was forced to surrender almost exclusively by US armed action, all the other allies' contributions being just "symbolic", the Soviet Union's least of them all. Such interpretations can be found in official publications. For example, *The Encyclopaedia Americana* makes no mention at all of the Soviet contribution to Japan's surrender, whereas the *Encyclopaedia Britannica* mentions it only, in passing. On the contrary, the USA is portrayed as a mythical giant strong enough to wage a continental war in Europe on the one hand and a maritime war in the Pacific on the other³¹.

²⁸ See *The History of WW II (1939-1945)*, Vol. II, p. 183.

²⁹ *Ibid.*, Vol. 6, Moscow, 1976, p. 253.

³⁰ *The Army Air Force in World War II*, Vol. 5, Chicago, 1955, p. 512.

³¹ *The Encyclopedia Americana*, Vol. 29, New York, 1970, p. 493; *Encyclopedia Britannica*, Vol. 23, London, 1973, p. 8021.

Facts prove that the USA and the other allies were able to take effective action in Europe only after the USSR succeeded in turning the war around. In the Pacific, too, the US command confined its activities through 1944 to small-scale landing operations while using the respite afforded by the deadly clash of the Soviet Union with Nazi Germany's major forces to rebuild its infantry, beef up its air force and repair the enormous damage inflicted on its navy by Japan at the very start of the war.

What is now omitted in silence used to be openly admitted by US statesmen during the world war. In 1944 US Secretary of the Interior H. Ickes wrote that the greatest gift which the Russians had made to the Allied Nations was the time without which Britain would have been unable to heal its wounds from Dunkirk and the USA unable to put its military production in full swing and create its army and navy...³²

Soviet historians are not inclined to belittle the role of the USA and other anti-Hitler coalition allies in defeating Japan. Indeed, by August 1945 US troops did advance to the nearest approaches of the Japanese archipelago. They had done serious damage to Japan's navy and air force, cut off Japan's communications with areas rich in strategical raw materials and brought much ruin to large Japanese cities by means of strategic bombing, but they had not succeeded in breaking Japan's resistance. Even the atomic bombing of Hiroshima and Nagasaki, to which American historians ascribe a decisive role in defeating Japan, was not the reason for the Japanese government's decision to surrender.

It was the Soviet Union's entry into the war against Japan that radically changed the course of events: the USSR armed forces had a vast military potential and rich experience in warfare and were distinguished for their high morale, heroism and combat skills. The troops of the Mongolian People's Republic were also part of the attacking Soviet force. On August 9, 1945 Suzuki, then Japanese Premier summoned an emergency meeting of the Supreme War Council to announce the following: "The Soviet Union's entry into the war puts us in a hopeless position and makes it impossible to continue the war"³³. The well-known British war historian S. Kirby commented later that the decisive factor which made Japan accept the terms of the Potsdam declaration was Russia's declaration of war against Japan³⁴.

It is difficult not to agree with this assessment. Indeed, the entry of the USSR into the war against Japan and the successful strategic offensive in Manchuria played a decisive role in achieving victory at the final stage of the war against Japan. No one can refute this historical fact.

Analysis of the history of WW II testifies to the fact that Soviet military action against Nazi Germany, militarist Japan and their allies was the foundation of the anti-Hitler coalition's war effort decisive for its victory.

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³² S. G. Gorshkov, *Marine Power of the State*, Moscow, 1976, p. 182.

³³ K. Inoue, S. Okonogi, S. Suzuki, *The History of Contemporary Japan*, Translated from Japanese, Moscow, 1975, pp. 263-264.

³⁴ S. Kirby and others, *The War Against Japan*, Vol. V, *The Surrender of Japan*, London, 1969, p. 433.

JAPANESE MILITARISM HIT

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[Article by V. I. Bunin, candidate of historical sciences: "The Defeat of Japanese Militarism: Lessons and the Present Day"]

On May 9, 1985 the Soviet Union marked the 40th anniversary of victory in the Great Patriotic War against nazi fascism. Together with the Soviet people, this historic date was celebrated by the peoples of Europe and Asia whom the Red Army brought peace and liberation from a long period of slavery under nazism and the murderous yoke of Japanese militarism.

The victory over Hitler's Germany and imperial Japan was possible because the country and the Soviet people were led by the Leninist Communist Party. "Its multi-faceted activities ensured the monolithic unity of political, state and military leadership of the army and the people, the front and the rear. The whole country rose at its call to fight against the fascist hordes to the last. The Communist Party was a fighting party. Its members were always in the thick of the fight against the enemy, in the most trying and decisive spots. Personally providing an example of courage, and ardent patriotism they inspired and led the Soviet people to victory."¹

Under the crushing blows of the Soviet Armed Forces fascist Germany had to capitulate and sign an act of unconditional surrender on May 8, 1945, but hostilities at the Eastern Front were still in full swing: the USA and Great Britain continued to wage their war against Japan and victory was nowhere at hand. According to estimates of the general military and political situation, made by the Western allies, an early victory over Japan without Soviet involvement was impossible; hence the allies had been insisting on it for a long time.

"It was quite obvious", writes Marshal A. M. Vasilevsky in his memoirs, "that the allies were unable, on the strength of their resources, to make Japan surrender quickly. The American and British governments well realised that the outcome of the war in the Pacific depended, first and foremost, on the defeat of the Japanese land forces on the Asian continent. They justly admitted that at least a seven million strong army was needed to invade the Japanese islands, and that without the Soviet Union's entry into the war it would take at least another 18 months after Germany's surrender, and a huge toll of human lives".²

Three months before Germany signed the Act of surrender in Berlin, when the hostilities had moved to German territory and the Reich was practically doomed, the heads of the three great powers (USSR, USA and Great Britain) met in the Crimea to discuss the major problems relevant to the conclusion of the war against Germany and the postwar settlement in Europe. This historic conference also specified when the Soviet Union was to join the war against Japan.

Admiral N. G. Kuznetsov, then People's Commissar of the Navy, took part in the conference and recalls in his memoirs, entitled "The Road to Victory", that Admiral E. King of the American delegation blun-

¹ *Pravda*, June 17, 1984.

² A. M. Vasilevsky, *The Cause to Which I Have Devoted My Life*, Moscow, 1973, p. 507.

tly declared at a meeting on February 6 that without extra resources no victory over Japan could be expected in 1945. In this context the assurance of the Soviet leaders recorded on February 11, 1945 in the Yalta agreement, says the author, to the effect that Soviet troops would be ready to start an offensive on the Eastern front in two-three months' time after the termination of hostilities in the West, made the Western allies happy.³ Specifically, the document pointed out that the allied powers "agreed that in two-three months after Germany's surrender and the end of war in Europe the Soviet Union would enter into the war against Japan".⁴

The Soviet Union had many reasons to start hostilities against Japan. Despite the lessons of its abortive military ventures at Lake Hasan in 1938 and the Khalhyn-gol river in 1939, the Japanese militarist government had not given up its plans of a new aggression against the Soviet Union, it had just been waiting for a chance to attack. After the signing of the "tripartite" anti-Comintern pact in September 1940 in Berlin, between Germany, Japan and Italy (known as the Rome-Berlin-Tokyo axis) spearheaded against the USSR, the Japanese imperialists became still more arrogant. Japanese military strategists planned to seize the entire Soviet Far East, Siberia and Kamchatka. They had built up two bridgeheads near the Soviet borders—one in Manchuria and the other on the Kuril islands and Sakhalin.

After the occupation of Manchuria, Japan moved its Kwantung Army there. This army was 750,000-strong by the autumn of 1941; it was beefed up by the puppet troops from Manchu-Guo (180,000 men) and by the troops of the Mongol Prince De-Van (12,000 men). Moreover, Japanese army of up to a million men stood by in North China to be shipped over to Manchuria at short notice.

Five Japanese divisions ready to attack the Soviet Union were positioned on the Kuril and Sakhalin bridgehead.

On July 2, 1941, after the German nazis' treacherous attack on the Soviet Union, an imperial conference opened in Tokyo to examine in detail the military and political situation in the Far East against the background of developments in Europe. The conference adopted a "programme of Japan's national policy" which ran, in part, as follows: "Though our attitude towards the German-Soviet war is based on the spirit of the three-powers' 'axis', we shall not at the present moment interfere in it and shall maintain an independent stance, while completing secret war preparations against the Soviet Union... If the German-Soviet war progresses in a direction favourable for the empire, we will resort to armed force to solve the northern problem and to ensure a stable situation in the North".⁵

In keeping with this decision, the Japanese General Staff produced a plan of war against the Soviet Union (July, 1941) code-named "Kan-Toku-En" (an abbreviation of the Japanese phrase which means "special manoeuvres of the Kwantung army") which provided for the seizure of the Soviet territory of the Far East and the Baikal area.⁶ Additional conscription was carried out in Japan in the summer of 1941 in order to realise this plan. The attack was to begin on August 29, 1941. The *blitzkrieg* was expected to be over in mid-October. However, the failure of Hitler's *blitzkrieg* on the Soviet-German front and a large contingent of

³ N. G. Kuznetsov, *The Road To Victory*, Moscow, 1975, p. 450.

⁴ See *The Official Records of War in the Great Eastern Asia*, Vol. 73, Tokyo, 1970, pp. 338—391.

⁵ *The History of the War in the Pacific* (Translated from Japanese), Vol. III., Moscow, 1958, p. 380.

⁶ See *The Military Encyclopedic Dictionary*, Moscow, 1984, p. 315.

the Red Army troops which remained deployed in the Far East made the Japanese aggressors postpone their predatory plans.

The rout of the German troops near Moscow and the subsequent glorious victories of the Soviet armed forces on the Soviet-German front in 1942-1944 compelled the Japanese strategists to amend their aggressive plans more than once. As Nazi Germany's ally, Japan did not, in fact, observe the neutrality treaty while the German-Soviet war was on, it violated Soviet borders and hampered navigation. Maintaining a large contingent of troops along the Soviet border, it made the Soviet Union keep a considerable force in the Far East. It had not given up its plans of attacking the USSR; it was just waiting for a convenient moment.

"The harder it was for us in the West," writes N. G. Kuznetsov, "the more impudent grew the Japanese... Thus, though Japan made no haste to attack our country, its aggressive behaviour was indirect help to fascist Germany".⁷

By August 1945 Japan had concentrated along the Soviet and Mongolian borders 1,200,000 men, 1,215 tanks, 6,640 guns and mortars, 26 warships and 1,907 combat planes.⁸ The Kwantung army was the backbone of this strategic grouping. It included two fronts and two separate general armies comprising 24 divisions, 12 brigades, the 2nd air-force army, subordinate to it, and the Sungari flotilla. All in all, the imperial Japanese army consisted, at that time, of over 7 million men, more than 10,000 aircraft and some 500 warships.⁹

Faithful to its allied commitments, the Soviet Union started a military campaign against the Japanese imperial troops in the Eastern front on August 9, 1945.

The entry of the Soviet Union into the war against imperialist Japan was a logical continuation of the Great Patriotic War against fascism and militarism. For the Soviet Union it was an act of justice in defence of its state interests and the interests of all countries threatened by the Japanese militarists. The Red Army was out to eliminate the dangerous hotbed of war in the Far East and to restore peace and justice in this part of the globe. The aims of the campaign were lofty and humanitarian: to bring an early end to World War II and to drive the Japanese invaders from Manchuria and Korea, extending thereby a helping hand to the Chinese and the Koreans in their war of liberation against imperialist slavery.

In keeping with the plans of the Soviet command, the following three subsequent strategical operations were carried out: the major one in Manchuria and the auxiliary ones in the South Sakhalin and the Kuril Islands. The fighting went on for 23 days and nights over a frontline exceeding 5,000 km. The Soviet troops composed of three fronts under the general command of Marshal A. M. Vasilevsky and in cooperation with the Pacific Fleet, the Amur river military flotilla and units of the Mongolian people's army defeated the Kwantung army which, in the final run, predetermined Japan's unconditional surrender. Advancing 600-800 km, the Soviet troops liberated Northeast China, North Korea and the islands in the Sea of Okhotsk.

The Soviet campaign in the Far East was a brilliant success, its outcome cannot be over-estimated. "The effect of surprise," notes Army General S. M. Shtemenko, an outstanding Soviet military leader, "was achieved in terms of the scope, the operational rates of the offensive and the direction of the major strikes."¹⁰ The POWs included 148 Japanese generals and 594,000 officers and men of the imperial troops.

⁷ N. G. Kuznetsov, *The Road to Victory*, p. 496.

⁸ See *History of World War II (1939-1945)*, Vol. II, Moscow, 1980, p. 182.

⁹ See *The Military Encyclopedic Dictionary*, p. 325.

¹⁰ S. M. Shtemenko, *The General Staff in the War Years*, Moscow, 1968, p. 372.

The operation in Manchuria, according to the Soviet command, was very instructive in terms of an unprecedented scope of re-grouping the troops from the Western to the Eastern part of the country (9,000—12,000 km.), a swift thrust to a large depth amidst the mountains, taiga and deserts and the use of tank armies, motorised and mounted units and air-borne landing parties in the first echelon of the front.¹¹

The Soviet offensive caused panic among the ruling circles of Japan. "The entry of the Soviet Union in the war this morning," declared Japanese Premier Kantaro Suzuki on August 9, "puts us finally in a hopeless position and makes impossible the continuation of the war."¹²

The exceptional importance of the Soviet military campaign against Japan was also acknowledged by top American and British leaders. In an interview with *New York Times* US General C. Chennault said that Russia's entry into the war against Japan was the decisive factor which led to the termination of the hostilities. If the A-bomb had not been dropped, the General continued, the result would have been the same... The quick advance of the Russian troops helped rout Japan and achieve victory.¹³ Indeed, it was the Soviet military operations and not the barbaric atomic bombing of Hiroshima and Nagasaki, as some present-day American falsifiers of history seek to claim, that tipped the balance of Japan's destiny and brought an earlier end to the World War II.

The mass destruction of the peaceful civilian population of two Japanese cities, which became the first testing grounds for US atomic weapons, militarily unwarranted and timed to coincide with the entry of the Soviet Union into the war against Japan, was designed by President H. Truman mainly to create an illusion that it was American atomic bombs and not the Red Army's blows that brought Japan to its knees. For Washington it was not so much the final act of World War II as the first step in the cold war against the Soviet Union.

The Soviet victory in the Far East was another dramatic proof of the might of the Soviet socialist state. It forced Japan to sign an act of unconditional surrender on September 2, 1945 and gave the green light to the struggle of the peoples of East and Southeast Asia for independence and socio-economic reforms. Northeast China, once liberated by the Red Army, became a reliable base for the country's revolutionary forces.

The defeat of Japanese militarism by the Soviet Armed Forces was of worldwide historical significance. It radically changed the balance of forces in Asia in favour of peace, democracy and socialism and spurred the general crisis of imperialism and the national liberation movement which rose to unprecedented heights. As the result of the masses' revolutionary struggle a number of socialist states emerged in the region, including the Democratic Republic of Vietnam, the Democratic People's Republic of Korea and the People's Republic of China, and later, the Lao People's Democratic Republic and the People's Republic of Kampuchea.

The lessons and the aftermaths of World War II demonstrated with particular clarity that the Japanese military's dreams of the "Great Asian Co-prosperity Sphere" under Japan's aegis and the conquest of world supremacy were most adventurous and far-fetched. These lessons are still valid as a serious warning to all imperialist aggressors who arbitrarily proclaim vast areas of the world, including those in Asia and the Indian and the Pacific Oceans, as "spheres of their vital interests".

From the very first postwar years, the Soviet Union has relied on the power and cohesion of the socialist countries' community in seeking to

¹¹ See *The Military Encyclopedic Dictionary*, p. 423.

¹² K. Inoue, S. Okonogi, S. Suzuki, *The History of Modern Japan*. (An abridged translation from Japanese), Moscow 1955, p. 264.

¹³ *The New York Times*, Aug. 15, 1945.

turn Asia into a zone of lasting peace and stability. A diametrically opposite attitude towards the postwar re-settlement of the region has been struck from the outset by the imperialist powers, above all, the USA. The basic principles of its policy towards the region of Asia and the Pacific, specifically, Japan have been to place the countries in this region under the military and also the political control of the United States, to turn them into US satellites and place US military bases encircling the Soviet Union, on their territories. Washington's postwar policy, as corroborated by the actual course of developments, has been to build up on the territory of those countries first-strike advance-based facilities and to militarise them. Japan is a graphic example of this policy in action.

Japanese militarism caused immeasurable suffering not only to the peoples of many Asian countries, but also to its own nation. As the result of its defeat the "empire of the rising sun" lost its former military might and all its colonial possessions. According to official data, World War II took a toll of two million Japanese lives, including 660,000 annihilated by American bombs.¹⁴

The collapse of imperial Japan made the Japanese working people more class-conscious: they became aware that it was big business and the military that had involved Japan in the crucible of world war and were to blame for all the misfortunes that had befallen the country. The defeat of militarism had, on the whole, changed the life of the Japanese people to the better. It stimulated the democratic movement which succeeded, in the first postwar years, in bringing about certain social reforms, limited as they were, despite the US occupation and the opposition of ruling circles.

On May 3, 1947 a new Constitution went into effect in Japan. It limited the powers of the emperor and extended those of Parliament. Most importantly, it banned the regular army and the military industrial complex (Article 9). The Constitution renounced war as the nation's sovereign right, as well as the threat or use of force to settle international issues which dealt "a strong blow to the military, which lost, to a large extent, its former position in the ruling camp and, for a time, disappeared from the political scene."¹⁵

But, unfortunately, only for a time. Under pressure from US imperialist quarters (which concluded a bilateral military alliance with Japan in 1951) and the local reactionary forces, the groundwork was laid down in the early 1950s for a rebirth of Japanese militarism. In violation of Article 9 of the Constitution the paramilitary police units were in fact reorganized into a regular army in 1954, disguised as "self-defence forces". In July 1984, on the day of their 30th anniversary, the Japanese armed forces exceeded 240,000 men (240,904),¹⁶ whereas their equipment, combat facilities and fire power surpassed those of the former emperor's army dozens of times.

The functions and armaments of the Japanese "self-defence forces" today justify Western experts who estimate them in terms of overall tactical and technical characteristics as a military force ranking fifth or sixth in magnitude among Western armies and second to none in Asia. The Japanese army has long since overstepped "purely defensive" limits and is capable of conducting any kind of combat operations, including offensive ones; as to its scope of activities it has become regional, in fact, it has been integrated into the Pentagon's Asian-Pacific strategy system.

The main lesson of the World War II is that war must be fought against before it breaks out. Since the defeat of militarism, strong antiwar

¹⁴ See *Statistical Yearbook, 1948*, New York, 1949, p. 120.

¹⁵ I. A. Latyshev, *The Constitutional Problem in Postwar Japan*, Moscow, 1959, p. 76.

¹⁶ See *Handbook on Defence, 1984*, Tokyo, 1984, p. 126.

sentiment has been prevalent among the Japanese population that suffered the tragedy of atomic bombing. The movement to ban atomic and nuclear weapons completely and to avert the threat of a world nuclear catastrophe has assumed massive proportions, strength and significance, especially in recent years. In 1982 Japanese peace supporters collected 82.5 million signatures (a truly extraordinary effort indeed) to a nuclear ban petition submitted to the second Special Session of the UN General Assembly on Disarmament. The Soviet people fully approve of the broad movement in Japan to proclaim hundreds of cities and many prefectures nuclear-free zones.

Unfortunately, Japanese ruling circles, though never ceasing to pay lip-service to their peaceful intentions, continue to pursue policies for the intensive militarisation of their country, in solidarity with Washington's global and regional strategies designed to gain military superiority over the Soviet Union, against the will of the Japanese people and contrary to constitutional bans and parliamentary principles. This cannot but negatively affect Japanese-Soviet relations. The Soviet leadership has repeatedly called attention to the increasing revanchist and militarist trends in Japan which pose great dangers.

The June 1983 Plenary Meeting of the CPSU Central Committee pointed out that the Japanese government "is leaning toward increasing Japanese war potential, activating militarist tendencies in the country and joining the global confrontation strategy imposed by Washington."¹⁷

Konstantin Chernenko emphasized in May 1984: "Japanese militarism has more than once revealed its expansionist ambitions and unleashed war. Nonetheless, Tokyo again calls for revenge and advances territorial claims. These attempts to repeat history—this time on a more dangerous basis in the epoch of nuclear weapons" continued K. U. Chernenko, "cannot but put on guard many an Asian country"¹⁸.

Japanese peaceloving forces are fiercely resisting military preparations of the Japanese governing circles. Thus the Soviet Union is not alone in assessing the Japanese government's practical measures to increase Japan's military potential to please the Pentagon as a militarisation course which destabilises the situation in the Asian region. The Soviet Union has solid proof to support this conclusion.

Japan's mounting military budget is the major indicator of its increasing militarist tendencies. The rates of growth of military spending in Japan (no less than 6.5-7 per cent annual increase in recent years, or twice as much as that of respective indicators for NATO countries), create the impression that Japanese governing circles want to become a world leader in this field. In the past two decades direct budgetary allocations for the army have jumped ten-fold: from 301.4 billion yen in 1965 to 3.14 trillion yen in 1985.¹⁹

Japanese officials like to stress that Japan's military budget does not exceed one per cent of the GNP, i. e., the "political ceiling" for army allocations established in 1976. Some people in government quarters, have urged that the ceiling be raised, however, since military spending is sure to exceed this limit in 1985. The Reagan administration insists that Japan bring up its military budget to equal that of its NATO partners, i. e., up to three per cent of its GNP, though the absolute direct allocations for the army in Japan's official state budget for 1985 exceed the respective figures of all Asian countries, including China.

It is quite a paradox that a country whose Constitution renounces war and armaments "for all times to come" should rank the sixth in the capi-

¹⁷ *Pravda*, June 17, 1983.

¹⁸ *Pravda*, May 24, 1984.

¹⁹ See data for 1965 in the *White Book on Defence, 1983*, Tokyo, 1983, p. 258; figures for 1985 are taken from the *Akahata* newspaper, Aug. 30, 1984.

talist world as regards military spending, four decades after its defeat in world war. It also ought to be remembered that the aforementioned allocations do not include many invisible military expenditures such as pensions to retired army officers and families of servicemen killed in action, as well as large monopolies' investments in the R & D inventing new military hardware. With these outlays, Japan's military spending matches that of any European member of NATO.

The diversion of one-third of Japan's military budget to the manufacture of arms is the second-important indicator of Japan's increasing military preparations. In 1983 the National Defence Agency (NDA) placed orders with industry to the tune of 1.2 trillion yen (\$5 billion).²⁰ Japan's military industry accounts for over 90 per cent of the supplies to the "self-defence forces" of cruise missiles, modern tanks, fighter-bombers, the "best-in-the-world" (according to Western experts) destroyers, submarines and the latest electronic equipment. Potentially the Japanese industry can make any kind of armaments, including missiles. In the event of a relevant political decision, claim Japanese scientists, Japan has adequate engineering and financial facilities to promptly start the production of tactical atomic weapons.

Japan not only keeps up with, but even outstrips the NATO bloc in the quality and sometimes quantities of the military hardware produced. This refers, in the first place, to anti-submarine destroyers, P-3C sea patrolling planes and F-15 fighter-bombers. In these armaments' quantity Japan is second only to the USA. Manufactured under American license, the Japanese-made P-3C and F-15 planes surpass the original models in many quality standard parameters. Japan's achievements in electronics, including military technology, are of world renown. In recent years Washington has been displaying keen interest in Japanese high military technology and has been granted free access by the Nakasone cabinet to the latest products and innovations in military electronics.

In keeping with the Japanese-US agreement on the transfer of military technology to Washington, signed in November 1983, the USA had defined five specific fields of production whose secrets Japan is to share with the USA despite the Japanese parliamentary ban on the export of arms and military technology. These fields encompass the manufacture of gallium arsenide used in making computers and other superprecision electronic equipment, including fibre optics, composite materials such as carbon fibre, ceramics and heat-resistant coatings.²¹

Japanese observers believe that the transfer of military technology to the USA paves the way for extending the sphere of Japanese arms exports (South Korea is rumoured to be the next importer) and making Japan a regular salesman of electronic weapons which are in short supply, a long-standing ambition of Japanese monopolies counting on arms exports as an effective means to avoid economic stagnation.

The highest priority which Japanese governing circles have accorded the "self-defence forces" buildup programmes is the next-important indicator of increasing militarist trends in Japan. To please the Pentagon, the NDA, as a rule, fulfils these programmes ahead of schedule. The 5th programme for 1980-1984 was completed one year ahead of the fixed deadline. A year had hardly passed after the launching of the 6th programme designed for 1983-1987, as the Japanese Council of National Defence (CND) hastened to approve, in May 1984, the draft of the next, 7th, programme for the armed forces' buildup, covering the period ending in 1990, to be launched a year earlier than originally planned, i. e., in 1986.²²

²⁰ See *Pravda*, Nov. 10, 1984.

²¹ See *Japan Economic Journal*, 1984, No. 1122, p. 1.

²² See *Akahata*, May 9, 1984.

The new, 7th programme is based on Pentagon's latest military and political concepts and US global and Asian-Pacific strategic objectives. Apart from the quantitative and qualitative beef-up of the Japanese armed forces, it gives great emphasis to Japan's new "maritime strategy" which provides for the active cooperation of its naval forces with the US 7th fleet in patrolling and protecting sea routes.

The point is that following Washington's example, Japan announced in 1981 a 1,000-mile ocean area around the country to be "a sphere of its vital interests", and undertook to use available combat facilities to patrol and protect sea communications in this vast area. The strategic aim of this project of the Japanese governing circles, supporting Washington's anti-communist line is to achieve, jointly with the USA, military-naval superiority over the Soviet Union in the Western Pacific. The Soviet Union is openly described by these circles as Japan's potential enemy and their increased military effort is sought to be justified by the myth about the "growing Soviet military threat" prompted by the USA.

The ambitious decision of the Japanese military and political leadership to "protect" commercial sea routes in an area stretching 1,060 nautical miles south-west to the Bashi strait between Taiwan and the Philippines, and 1,330 nautical miles from Tokyo, south-east to the island of Guam, affects the interests of many countries neighbouring on Japan. No wonder number of Southeast and East Asian states became legitimately concerned for their national security; the decision caused stormy debates in Japan itself, revealing diametrically opposed attitudes on the issue.

Spokesmen of the progressive camp and the opposition in the Japanese Parliament maintain that the concept of "protecting communications" originates with the "hawks" who seek to accelerate the country's militarisation. As trade routes are not being threatened by anything or anyone, why should Japan, these spokesmen ask, undertake the backbreaking burden of their protection. If governing circles were really concerned about the security of communications, they say, why should they not support the Soviet proposal submitted to the UN Secretary-General in spring 1984, concerning limitation of military-naval and arms build-up activities, specifically, and extension of confidence-building measures to "seas and oceans, especially to intensive sea routes areas."²³ Were this proposal put into effect, peace and stability in the Asian-Pacific region would be greatly strengthened.

Supporters of the government's and the NDA's stance claim that Japan's decision to protect communications is reasonable as this is the first realistic step to develop a military, especially, military-naval strategy that the country lacks, and to assign its armed forces combat missions over a vast operational and strategic area off the country's coasts which, according to retired Admiral Ryohei Oga, former commander of the Japanese navy, will enable Japan to insure its security, justifiably expanding from purely national challenges to a regional level, and to legalise the dispatch of the "self-defence forces" abroad.²⁴

An integral component of the new "maritime strategy" is to block the international La Perouse, Tsugaru and Korean Straits to prevent the exit of the Soviet Pacific Fleet to the high seas of the ocean. This unprecedented project developed by the Japanese military planners in cooperation with the Pentagon in peacetime, not only grossly violates the international law of the sea, but is also regarded by the world public as an unfriendly gesture towards Japan's neighbour, the Soviet Union. This aggressive move looks particularly dangerous against the background of the active involvement of US armed forces in pushing it through, and Wa-

²³ *Pravda*, April 15, 1984.

²⁴ See *Yearbook on Defence*, 1983, Tokyo, 1983, p. 151.

shington's and Tokyo's efforts to involve the South Korean puppet regime's armed forces. Steps are being taken to create an "eastern front" against the socialist nations, a Washington-Tokyo-Seoul military strategic infrastructure for a new military political alliance of the NATO type.

In this connection one cannot help recalling similar aggressive actions of the Japanese military during the last World War. History has it that on December 8, 1941, in defiance of international law, the Japanese government announced the La Perouse, Tsugaru and Korean Straits its "marine defence zones" and placed under the control of its armed forces the Sea of Japan and all exits from it. "In December 1941," recalls N. G. Kuznetsov, "the Japanese sank the Soviet merchant ships *Kretchet*, *Svirstroy*, *Perekop* and *Maikop* and captured *Simferopol* and *Serghei Lazo*.²⁵ One gets the impression that seeking to repeat the sad facts of history contemporary Japanese leaders are oblivious of the lessons of the last world war. This time they have even raised the level of their aggressive preparations to coalition rank.

It is worthwhile mentioning the NDA's stance on protecting sea communications as outlined in the 1983 Yearbook on Defence.

NDA staffers hold that within the framework of the "survival concept", Japan which almost fully depends on imports of energy and other strategic natural resources must regard the safety of sea trade routes running from the coast of the country to latitude 20° North as a "particularly urgent and vital problem".

In the NDA's opinion the safety of sea communications should include a complex of measures to protect the ports and insure the reliable anti-aircraft defence of surface vessels, marine and air patrolling of the area, the escort of vessels, and blockade and control of international straits. The mere list of the measures indicates that what is meant is not a one-time operation, but long-term activities typical of an offensive maritime strategy.

The Yearbook's strategic definitions classify the protection of coastal waters as territorial defence which covers a radial area of several hundred miles. Protection of high sea communications is the function of strategic defence over an area of 1,000 nautical miles. A reservation is made here to the effect that the zone of activities of the "self-defence forces" is not anything invariable, fixed once and for all, and its boundaries should depend on the extent of the "threat to sea communications".

"It is not at all certain", says the Yearbook "that the self-defence forces shall be strictly tied up to the 1,000 mile zone and shall not operate beyond this limit".²⁶ To provide effective safety for vessels in "special cases" the NDA intends to establish "special zones" for their "defence" along the entire length of communications beyond the fixed limits. Consequently, the 1,000 mile area is a sort of springboard for the eventual extension of the "self-defence forces" sphere of action to all sea and ocean areas where Japanese ships and vessels might sail.

It is a function of the US 7th Fleet to provide for the daily safety of Japanese merchant ships beyond the 1,000 mile area, as the NDA materials indicate. It is claimed that agreement to this effect was reached at the 14th working meeting of the Japanese-US committee on safety in August 1982. The agreement was backed up by the Pentagon's chief C. Weinberger who declared that the USA was responsible for the protection of the area beyond the 1,000 nautical miles from the coasts of Japan.²⁷ Thus, Japan's commitment to insure combat patrolling of the Western Pacific with its "self-defence forces" enables the USA to pull out

²⁵ N. G. Kuznetsov, *The Road to Victory*, p. 492.

²⁶ *Yearbook on Defence*, 1983, p. 116.

²⁷ *Ibid.*, p. 156.

warships of its 7th Fleet for use as part of the interventionist "rapid deployment force" in the Indian Ocean and other hot spots around the globe.

The provision for dealing blows to the "enemy's" bases on Kamchatka and the Kuril Islands, restricting and then fully blocking traffic through the straits is especially bellicose. The NDA's plans, undoubtedly influenced by US directives and the Pentagon instructions, conclude that the further effective use of Japanese military might will be contingent on the successful destruction of the "enemy's" bases.²⁸ US Deputy Under-Secretary of Defense Richard L. Armitage (in charge of East and Southeast Asia) told the US Congress on June 12, 1984 that Japan's blockade of the La Perouse, Tsugaru and Korean Straits was a means to insure the defence of sea communications over 1,000 nautical miles. Japan's ability to block these straits, continued Armitage, would help it solve the problem of containing the Soviet Union at a cheap price.²⁹

The NDA further explains that the "protection" of vessels and ships in high seas will "depending on the kind of threat", be either direct (active defence) or indirect (passive defense). Direct "protection" of a convoy of vessels or a ship is insured by actual escorting and the use of the Japanese navy's fire power. Indirect protection is effected through the radio-electronic facilities with which patrolling planes and ships are equipped.

The "Rimpac-84" multilateral exercises (Pacific Rim-84, May 15-June 29, 1984) involving the navies of the USA, Canada, Australia, New Zealand and Japan pursued the same aims. It were the third exercises of this kind in which Japan's "self-defence forces" participated. 1,400 men and officers, as well as 5 battleships, including 2 helicopter carriers (*Kurama* and *Sawakaze* of 5,200 tons displacement each) were assigned on this mission. The Japanese destroyers' task was to escort the US atomic aircraft carriers *Enterprise* and *Carl Vinson*. Besides, the exercises dealt with offensive tasks, including the targeting of the "enemy's" submarines and surface vessels.³⁰

Thus, the NDA's programme of "protecting" sea communications and the specific measures of the National Defence Agency to extend the sphere of operation of the "self-defence forces" into the Sea of Japan, the Yellow and the East China Seas directly affect the interests of the Soviet Union, the Democratic People's Republic of Korea, China and the Socialist Republic of Vietnam and represent a real threat to their merchant shipping.

These military measures are supplemented by the government-sanctioned extensive anti-Soviet propaganda. Profiteering by the alleged "growth of the Soviet military threat", Japanese ruling circles fan up revengeful sentiments in the country and make unjustified territorial claims to the Soviet Union seeking to bring to naught the results of World War II. Staking its bets on the continued provocative policy of Japan's active involvement in Washington's military blocs policy, Tokyo is indulged in ideological brainwashing for a more extensive military buildup.

This includes the war indoctrination of the population, moulding a positive public opinion apropos Japan's militarist policies, and creating a favourable climate and conditions for taking expensive measures to beef up the military economic potential, both quantitatively, and qualitatively, and for radical government decisions, if need be, in military construction. The Japanese mass media seek to convince the nation of the need for a military option and a large army to "rebuff communism", i. e., the Soviet Union, which is alleged to be ready and out to attack the Japanese isles.

²⁸ *Ibid.*

²⁹ *Komei shimbun*, June 14, 1984.

³⁰ *Sankei shimbun*, May 14, 1984; *Akahata*, July 3, 1984.

The military psychosis whipped up by Washington and the local Japanese reaction, and an atmosphere of mistrust thereof essentially impair Japanese-Soviet relations. The Soviet government's important initiatives to improve and extend allround contacts between our countries, unfortunately, draw no positive response from the Japanese government. Specifically, as Nikolai Tikhonov, Chairman of the USSR Council of Ministers, emphasized in his message to the governor of the Kanagawa prefecture, a bilateral agreement on guarantees, i. e., a Soviet commitment not to use nuclear weapons against Japan in response to Japan's assurance to strictly adhere to the status of a non-nuclear power, would be very important under present-day conditions when "active attempts are being made to persuade Japan to violate the 'non-nuclear principles' and dangerous plans are being hatched to turn the country and surrounding areas into launching pads for nuclear missiles".³¹

The powerful anti-war and anti-nuclear movement in Japan is convincing proof that the working masses and the democratically-minded public of the country do not approve of the policies of the militarist and reactionary circles who dream of turning Japan into "a big military power". It is a stern warning to those forces in Japan who have forgotten the lessons of the past and, trampling upon the laws and principles born of the tragic experience, stand for the rebirth of Japan's former military glory again lauding the idea of the "great Asian co-prosperity sphere".

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USSR, U.S. POST WW II POLICIES IN DPRK, ROK CONTRASTED

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[Article by V. I. Petukhov, candidate of historical sciences: "The USSR--Korea's Liberator and Reliable Ally"]

The USSR's entry into the war against imperialist Japan was of immense historic importance. By decisively participating in the rout of Japanese militarism, the USSR not only fulfilled its duty as an ally to the very end but also gave powerful internationalist support to the national liberation movement in Asia. This was highly appreciated by the Korean people which was freed, as a result of the Soviet Army's victory, from almost fifty years of oppression by Japanese colonialists. As the General Secretary of the Central Committee of the Workers' Party of Korea and President of the Democratic People's Republic of Korea Kim Il Sung noted, the liberation of Korea by the Soviet Army ushered in a new era in that country's history: "A broad road of national independence and democratic development has opened before the Korean people".¹

When hostilities ceased in the Pacific, Japan had a multi-million infantry and formidable military bridgeheads in Korea and Manchuria and was still capable of putting up a serious resistance and dragging out the war for a long time. This was fraught with danger for the Korean people: Korea could be turned into a battlefield with the inevitable devastation of the country and the death of a considerable part of the population. Such a tragedy did not happen only because the Soviet Union took up arms against imperialist Japan and decisively hastened the end of the Second World War.

As a result of the Soviet armed forces' rout of the Kwantung Army in Manchuria and Korea, Japan was forced to cease resistance and sign an act of unconditional surrender. The seat of aggression in the East was liquidated. Korea was liberated from the yoke of Japanese imperialism. This liberation was brought to the Korean people by the Soviet Army. Other countries' armed forces did not take part in Korea's liberation.

According to an agreement between the Allied powers, the surrender of Japanese forces in Korea to the north of the 38th parallel was accepted by Soviet troops and to the south of it by American troops.² This agreement concerned only the procedure of surrender for Japanese troops in various theatres of war and did not contain any provisions whatsoever envisaging a lengthy stay of American and Soviet forces on territory liberated from the Japanese. The Soviet Union viewed the presence of its troops in North Korea as temporary, stemming from the need to complete the evacuation of the surrendered Japanese troops, put an end to the colonial regime and provide the Korean people with the opportunity to settle its domestic affairs as it saw fit. As for the United States, it used the occupation of South Korea as a means of establishing and consolidating its permanent control over it.

As is known, the role of the United States in the history of the Korean people's struggle for independence and free development has always been

¹ Kim Il Sung, *Selected Articles and Speeches*, Moscow, 1962, p. 326 (in Russian).

² In *Correspondence of the Chairman of the USSR Council of Ministers with Presidents of the United States and Prime Ministers of Great Britain During the Great Patriotic War of 1941-1945*, Moscow, 1957, pp. 258-264.

unseemly and abounded in acts of perfidy and betrayal. In its time the US government has actually facilitated the Korea's transformation into a colony of the Japanese Empire. In turn Japan approved the United States' seizure of the Philippines. The two imperialist predators, the USA and Japan, came out in a secret collusion in the role of international brigands and enslavers of other peoples. As Lenin stressed: "Japanese and US capitalism are equally predatory."³

At the Cairo Conference in December 1943 the leaders of the United States, China and Britain formulated the aims of the Allied powers in the war against Japan. The conference's communique (the Cairo Declaration) stated in part that its participants remembered the enslaved people of Korea and decided that in due course Korea should become free and independent.⁴ It is indicative that the Cairo Declaration promised Korea independence not immediately after victory over Japan, but only "in due course". Not a single official statement made by the United States at the time explained the meaning of this vague formula. Its meaning was determined much later, when the US government began to deal with Korean affairs in practice and clearly intimated that it had no intention of hurrying to grant Korea the freedom and independence it had been promised.⁵

The fundamental difference between the policies of Soviet and American military authorities in Korea came to light from the very first days of their activities. At the time when measures taken by the Soviet Command in North Korea were directed at liquidating the baneful consequences of the Japanese domination in the country's political and economic life, the total dismantling of the Japanese colonial administration, the establishment and development of democratic institutions, and assistance in carrying out radical democratic transformations in the country such as land reform, the nationalisation of industry, and the promulgation of progressive labour legislation, the measures taken by the American Command in South Korea pursued the aims of restricting and suppressing the Korean people's democratic movement and preserving those institutions of the Japanese colonial regime that could be used by the Americans to establish their control in Korea.

The country's liberation from the Japanese yoke generated tremendous political activity among the Korean people. There appeared mass political organisations and parties that headed the movement for democratic reform. In towns and villages the people set up people's committees that took it upon themselves to organise democratic self-government on the local level. This political upsurge encompassed the Korean masses both in the north and the south of the country. An All-Korea Congress of Representatives of People's Committees and Public Organisations which was convened in Seoul on September 6, 1945 proclaimed the creation of the Korean People's Republic and elected its supreme body—the Central People's Committee.

American military authorities did not recognise the government of the People's Republic, took all the power in South Korea in their own hands and began to disband and persecute the people's committees while leaving the entire Japanese administrative apparatus intact. It was only as a result of stormy popular demonstrations of protest that the American General Douglas MacArthur was forced to order the Japanese government to cease its administrative activity in Korea.

³ V. I. Lenin, *Collected Works*, Vol. 25, p. 36.

⁴ *Izvestia*, Dec. 3, 1943.

⁵ At the Yalta Conference in February 1945, Franklin Roosevelt proposed to Josef Stalin to establish a trusteeship over Korea because, in his opinion, it could take as much as 20-30 years to prepare the Koreans for self-administration. *The Soviet Union at International Conferences in the Period of the Great Patriotic War of 1941-1945*, Moscow, Vol. 4, 1979, p. 142.

A number of pro-Japanese figures—big Korean landowners, industrialists and bankers—were employed by the American military administration as advisers in place of the dismissed Japanese officials. These advisers were entrusted with the task of selecting Koreans for government service. Since these people had been compromised by their ties with the Japanese and their political activities caused indignation among Koreans, American authorities, to help them, urgently imported from the United States and China Korean emigres notorious for their reactionary views (Syngman Rhee, Kim Koo and others).

Relying on these figures so isolated from their own people, American military authorities in South Korea launched an offensive against the newly awakened democratic forces. The American journalist D. Olmsted, who spent eight months with occupation forces in South Korea, wrote in the newspaper *Korean Independence* (Los Angeles): "When we landed in Korea to liberate the country, the Americans had a good opportunity to help the courageous people in its struggle for independence, pay tribute to those who fought against Japanese imperialism, and punish those who helped the Japanese in exploiting Korea and in the war against the Allies. The American military administration, however, chose another road. We overthrew the government of the People's Republic which was formed by resistance forces after Japan's surrender. The Korean collaborationists have not only survived the Japanese collapse but, according to lists submitted by the leaders of the Popular Front, many of them serve the American military administration".⁶

The Americans flouted the very democratic freedoms they themselves had promised. An order issued by MacArthur in September 1945 warned disgruntled Koreans: "Any person who attempts to violate peace in Korea or commit any hostile actions against the occupation forces shall be punished by death or subject to other punishments as determined by the occupation authorities".⁷ An order issued by General Archibald Arnold, the head of the American military administration, said that "all instructions of the former government of Korea that had the force of law prior to August 9, 1945, shall remain in force... and the entire power possessed by the Governor-General of Korea shall pass on to the head of the military administration".⁸

In fact South Korea was put by the Americans in a worse position than when it had been under Japanese control.

As it became absolutely clear sometime later, US authorities planned to solve the Korean question in their own way by imposing on Korea some sort of a new status of a territory dependent on the United States. The plan provided for two main stages: initially emphasis was made on unifying the economy of the whole of Korea under the supervision of the Seoul administration, the zone of Washington's military responsibility, so as to spread American control not only to South but also to North Korea. Then Washington planned to ensure the failure of talks with the Soviet Command after which it would rid itself of cooperation with the USSR in Korean affairs and resort, for this purpose, to the United Nations where the Americans had an overwhelming majority vote at the time and could count on the UN to adopt decisions which suited Washington. Not at a single of these stages did American authorities have in mind the creation of a single democratic government in Korea. They tried to use the post-war situation in the interests of American capital's expansion and Korea's transformation into a military and political base for the United States in the Far East.

⁶ Quoted from *Pravda*, Nov. 16, 1946.

⁷ *Dong-A Ilbo*, Seoul, Sept. 7, 1945.

⁸ *Ibid.*, Nov. 3, 1945.

Information of such plans had leaked into the press long before the question of practical measures in respect of Korea began to be discussed by the Allied powers. The Washington correspondent of the *Daily News*, published in Los Angeles, the centre of Korean emigration in the United States, reported late in September 1945 that American sources in Washington insisted that Korea would reach democracy and full independence by way of United Nations trusteeship.⁹

John C. Vincent, an official at the State Department responsible for Far Eastern affairs, spoke in Washington on October 20, 1945. Claiming that Korea was not yet ready for self-government, he confirmed that the United States stood for a trusteeship in which Allied states "directly interested in Korean affairs" should take part. Nobody can say how long the trusteeship will last, Vincent explained. The new element on account of which Vincent expressed displeasure was Korea's division into "two occupation zones" which, according to him, was clearly unsatisfactory from the viewpoint of administering the country and for this reason, he went on, various administrative matters stemming from the existence of the two zones ought to be resolved prior to the establishment of the trusteeship.¹⁰

After this statement by the representative of the Department of State followed contentions by the American authorities and press in South Korea that all the troubles experienced by the Korean population supposedly originated not as a result of US occupation policy, but mostly because of the country's division into two parts and that as soon as the USSR and the USA could reach an agreement on the administrative and economic reunification of the two zones the situation would improve drastically. To lull the Koreans, the American authorities pretended that they were taking measures towards this end and that talks on this question were already being conducted with the Soviet government.

In reality, no talks on the question of Korea were being held at the time. There was only a letter from Averell Harriman, then US Ambassador in Moscow, to Molotov, USSR People's Commissar for Foreign Affairs, dated November 8, 1945. In that letter the American Ambassador informed Molotov that he had been instructed by his government only to "study" the possibility of conducting talks with the Soviet government on a temporary agreement concerning the arrangement of communications, trade, finances and other outstanding issues in Korea.¹¹ Harriman's letter did not contain any practical proposals whatsoever.

A conference of the foreign ministers of the USSR, the USA and Great Britain was held in Moscow from December 16 to 26, 1945 as a routine consultation as provided for by the Allied powers. The conference discussed a wide range of important problems of post-war arrangements, including the question of Korea.

The question of Korea was first formulated as follows: the establishment of an independent government in Korea.¹² This proposal was made by the American side for reasons of propaganda and was not intended for fulfilment at all. Already at the first meeting, the American delegation insisted on a change in the initial wording and in the final agenda of the conference it had the following formulation: the creation of a unified administration for Korea with a view to instituting an independent Korean government.¹³ But it turned out later that the American plan to set up a unified administration did not provide at all for the formation of an independent government in Korea, at least in the immediate future. On

⁹ *Korean Independence*, Los Angeles, Oct. 3, 1945.

¹⁰ *The Department of State Bulletin*, October 21, 1945, Washington, 1945, p. 646.

¹¹ *FRUS. Diplomatic Papers*, 1945, Vol. II, Washington, 1967, p. 627.

¹² *Ibid.*, p. 599.

¹³ *Ibid.*, p. 617.

placing itself in an awkward situation the American delegation tried to introduce yet another amendment in the agenda by replacing in it the adopted wording of the third point (about Korea) with the wording contained in the first paragraph of Averell Harriman's letter of November 8, 1945: on the temporary agreement concerning the arrangement of communications, trade, finances and other outstanding issues in Korea.¹⁴

As we see, the American delegation wanted to substitute the question of creating a Korean government (the Korean people was vitally interested in this question's speediest solution) with the question of the economic unification of the two zones which the Americans intended to utilise with the aim of spreading American control to North Korea. J. Byrnes suggested to the conference that it limit itself to a discussion of the questions raised in Harriman's November 8, 1945 letter to Molotov so as to authorise the American Commander and the Soviet Commander to discuss the question of setting up a united administration in Korea. It was only after the questions raised in Harriman's letter were considered that Byrnes thought it possible to move on to the discussion, as he put it, of the question of a trusteeship system in the future.¹⁵

So according to the American plan, in the first stage which was to have no time limit, Korea was to be administered by a united military administration. After that, in the future, a trusteeship was to be established over Korea. The meaning and nature of this trusteeship was determined later in the American proposals. But the American government's intent to drag out the solution of the main question of the political settlement in Korea and the creation of a Korean national government fully manifested itself already at the beginning of the discussion.

Molotov said that Harriman's letter (Byrnes insisted on discussing it) has no bearing on the question included in the agenda of the conference because "that letter does not contain even a reference to the Korean government".¹⁶ The letter spoke of the need to resume the exchange of commodities between North and South Korea, of financial policy, etc. "It would hardly be desirable to confine the discussion of the Korean issue just to these special matters", Molotov stated.¹⁷ He stressed that this would divert the conference from the discussion of the question concerning the Korean government and that the Soviet delegation considered the creation of such a government most urgent task.

Suffering a setback in its attempt to reduce matters to a discussion of secondary economic issues, the American delegation submitted for discussion its draft resolution on the Korean question. It was outlined in a document called "The United Administration for Korea" presented by Byrnes. The document said that, in the opinion of the US government, the immediate aim for Korea should be the creation of a united administration headed by the two military commanders acting jointly on all matters concerning Korean national interests, that is questions of currency, trade and transport, means of communication, distribution of electricity, coastal shipping, displaced persons, etc. It was intended to use Koreans, wherever possible, in the joint administration as officials and as consultants and advisers under the military commanders.¹⁸

According to the American draft the united military administration was to govern Korea until the establishment of the trusteeship.

What terms of trusteeship were set forth by the American delegation?

It proposed to form from among representatives of the United States, China, Britain and the USSR an "administrative body" acting in the name

¹⁴ *Ibidem*.

¹⁵ *FRUS. Diplomatic Papers 1945*, Vol. II, pp. 618-619.

¹⁶ *Ibid.*, p. 618.

¹⁷ *Ibid.*, p. 620.

¹⁸ In *FRUS. Diplomatic Papers 1945*, ..., p. 641.

of the United Nations and the people of Korea. The American delegation provided in its draft that this administrative body should exercise such executive, legislative and judicial power as would be necessary for the effective administration of Korea before a free and independent Korean government is formed and that the administrative body should execute its powers and functions through a High Commissioner and an Executive Council consisting of one representative from each of the states included in the administrative body.¹⁹

It is not difficult to observe that the purpose of the American plan of trusteeship was to secure for US representatives in Korea the role of the first fiddle just as in the case of the Allied Council for Japan. With the support of the representatives of Britain and Guomindang China, they intended to get the post of High Commissioner in their hands, to install yet another MacArthur in Korea and dictate their will to the other members of the Executive Council.

According to the American plan, Korea was to be thus administered for a period of five years which could be extended, if necessary, for a further period not exceeding five years pending the agreement of the four states represented in the administrative body. In practical terms, this meant the administration of Korea under a mandate for ten years after which the Americans could place Korea in the hands of a puppet government consisting of Korean officials selected and appropriately trained by them.

It should be noted that the American plan provided neither for the creation of a Korean national government, nor even of local Korean self-government for the entire duration of the period of trusteeship. It totally ignored the views and aspirations of the Korean people. According to the American plan, the agreement on trusteeship was to be drafted and adopted without participation of the Korean people's representatives and without due consideration of its national interests. In effect the American delegation proposed to treat Korea as an ordinary colony or, at least, not better than a state that had fought against the Allies in the anti-Hitler coalition.

It goes without saying that at the conference of foreign ministers the Soviet delegation could not agree with the American delegation's proposals. It submitted its own draft solution of the Korean question for ministers' consideration.²⁰ As a top-priority task it provided for the creation of a provisional Korean democratic government "in order to restore Korea as an independent state, the creation of conditions for the country's development according to democratic principles and the speediest elimination of the baneful consequences of the lengthy Japanese domination". To assist the creation of such a government, it was proposed to set up a joint commission consisting of representatives of the Command of American troops in South Korea and the Command of Soviet troops in North Korea. When formulating its proposals the commission was to consult with Korean democratic parties and public organisations. The Soviet draft also suggested that the joint commission work out measures to assist Korea (in trusteeship) for a period of not more than five years, whereas the American plan provided for the establishment of a trusteeship after a certain period of administration of Korea by a "united military administration" and after the expiration of the five-year period of the trusteeship allowed for its extension. It is especially important to note that the measures of assistance, which on the initiative and insistence of the Americans were christened a trusteeship, were subject, according to the Soviet plan, to elaboration with the participation of the provisional Korean de-

¹⁹ *Ibidem*.

²⁰ In *The Soviet Union and the Korean Question*, Moscow, 1948, pp. 8-12.

mocratic government and Korean democratic organisations. The purpose of these measures was clearly and unambiguously defined in the Soviet draft—"assistance for the political, economic and social progress of the Korean people, the development of democratic self-government and the establishment of Korea's national independence". Thereby the very notion of trusteeship was fundamentally different from the way it had been defined in the American draft: it was to reflect the interests and wishes of the Korean people itself and, consequently, rule out any expansionist claims whatsoever of states which were to take part in the trusteeship.

The Soviet delegation's draft placed the American delegation in a difficult situation. For political considerations it was against the interests of the American delegation to oppose the Soviet draft and insist on the adoption of its own. It was too obvious that its draft pursued imperialist aims, whereas the Soviet one was directed at satisfying the national demands of the Korean people and giving it friendly collective assistance in the establishment of an independent and democratic Korean state.

Byrnes had to admit that the Soviet draft was better than the American one. The British Foreign Secretary E. Bevin also agreed to take the Soviet draft as the basis for the solution of the Korean question. The American delegation made only two trifling amendments to the Soviet draft. Otherwise it was adopted at the ministerial conference as a solution of the Korean question.

Moscow's decision ran against US ruling circles' expansionist aims. The Americans did not dare to oppose at the conference the Soviet proposals that formed the basis of this decision but virtually on the very next day after the end of the conference they started a poorly disguised campaign to block the fulfilment of the international agreement they themselves had signed. The translation of the Moscow decision into Korean was deliberately distorted: "measures of aid and assistance (trusteeship)" were translated as "protectorate". Reactionary groups in South Korea, taking their cue from the Americans, immediately exploited this opportunity and openly attacked the Moscow decision that blocked their road to power. Playing on the national feelings of the Korean masses they used slogans of struggle against the trusteeship to camouflage their activity against the democratic transformation of the country. On their part, the American authorities did everything to fan up hostility to the Moscow decision among Koreans and encouraged reactionaries to act against the fulfilment of this decision and against the USSR.

The sign for these actions to begin was given by Secretary of State Byrnes who, on his return from Moscow, stated over the radio on December 30, 1945 that the Soviet-American commission, acting jointly with the provisional Korean democratic government, could decide on the termination of the trusteeship. He added that the United States' aim was to bring closer the day when Korea would become an independent member of the family of nations. The heads of the American military administration in South Korea, Generals Hodge, Arnold and Lerch, echoed Byrnes and suddenly started stating that in their opinion Korea was prepared for self-government. At the same time Syngman Rhee and other American puppets began to circulate the falsehood that at the Moscow Conference the USSR had supposedly demanded rule by mandate in Korea, whereas the United States had allegedly insisted on the creation of an independent Korean state.

All these dirty manoeuvres pursued obvious aims: to ensure popularity for the reactionary pro-American elements in Korea and, on the contrary, to complicate the position of left-wing democratic parties and organisations coming out in support of the Moscow decision.

The very first meeting of representatives of the Soviet and American commands, held in Seoul in January-February 1946, revealed the Ameri-

cans' refusal to cooperate with the Soviet Union in Korea on an equal basis in accordance with the Moscow decision. Instead of discussing the question of organising a goods exchange between the northern and southern zones, the American command proposed to subordinate finances, transport, communications, the system of power supply and other branches of the economy of North and South Korea to the central bodies which it intended to set up in Seoul, in the zone of the United States' military responsibility. It was also intended to include in these bodies Koreans serving with the American military administration, most of whom had previously been in the employ of the Japanese colonial authorities. The Soviet Command noted that questions of political and economic unification should be solved by a united Korean government as soon as such is formed. At the same time it expressed readiness to ensure an equivalent commodity exchange between the two zones that would be necessary for breathing life into Korea's economy and, in particular, agreed to satisfy fully the American Command's request for goods deliveries from North Korea. But the American Command refused to supply South Korean commodities badly needed by North Korea in exchange, including foodstuffs. In the hope of compromising the Soviet Command's policy and causing hunger in the North, the Americans refused to supply rice there although it was known that under Japanese rule South Korea produced rice for export and regularly supplied North Korea with it. Having made it impossible to agree on the exchange of goods, the American Command used the failure of the talks in Seoul as a pretext for whipping up an anti-Soviet campaign.

The American Command's policy of hostility to the Moscow decision manifested itself even more clearly in the course of the Joint Commission talks held in the spring of 1946 and the summer of 1947. By that time the ruling circles in the United States had openly launched their course of aggravating the international situation in order to pressure the USSR and other countries of the socialist community. It should be recalled that in March 1947 President Truman came out with his "doctrine" that actually amounted to a programme of support for reactionary forces in the whole world so as to ensure conditions for US monopoly circles' expansion. The "Truman doctrine" predetermined the American delegation's position in the Joint Commission: to prevent the Korean people's democratic forces from participating in the administration of the country and to prepare conditions for the setting up of a separate puppet regime that would be instrumental in turning South Korea into a long-term military and political bridgehead for the United States in the Far East. Emphasis was made on the export of counterrevolution in an increasingly arrogant and open manner. As to the talks in the Joint Commission, the American delegation did everything to deadlock them, to make the world think that it was impossible to reach an agreement with the Soviet Union, and thus to justify the transfer of the Korean question to the UN consideration.

The question of consultations with Korean democratic parties and organisations was chosen as a pretext to frustrate the Joint Commission's work. As a result of machinations by the Americans and their agents, 425 parties and organisations in South Korea applied for participation in the consultations. The total number of their members was declared to amount to a fantastic 70 million while the population of that part of the country at the time was roughly 19 million. The American delegation thus hoped, in the course of the consultations, to ensure a majority for the right-wing reactionary groups favoured by the military administration and to prevent a preponderance of the truly democratic parties that clearly dominated political life both in the North and in the South. The American delegation showed its cards when its head, General Brown, stated at a meeting of the Joint Commission on July 3, 1947: "It is well-known

that there are two major political groupings in Korea: the so-called right-wing and the left-wing. It is also well-known that the right-wing comprises a majority of roughly 3-to-2 in the overall political picture in Korea". The American delegation tried to engage in wishful thinking in the hope that juggling with the data would make it easier to form a Korean government which would best serve the interests of the United States. It manoeuvred and procrastinated in talks in order to gain time necessary to crush the democratic forces and strengthen the position of local reactionaries. This was the target of the American Command's main efforts in Korea and in the summer of 1947 it resorted to open terror against left-wing parties and organisations.

When the Americans saw for themselves the futility of their efforts to create a reactionary government by means of the Joint Commission because of the consistent and firm position taken by the Soviet Command and the Soviet delegation in the Joint Commission and because of the mounting opposition from the Korean democratic forces, they decided to resort to a frontal assault. Without waiting for the completion of talks with the Soviet side, the US government announced in September 1947 the transfer of the Korean question to the United Nations for consideration even though this question was outside the competence of that organisation since it was a part of the more general question of the post-war arrangement and as such was to be settled by the interested states on the basis of the international agreement reached by them. It was absolutely clear that the United States wanted to use the Korean question within the framework of its general strategy of conducting a diplomatic offensive against the Soviet Union and fanning up the cold war. Its plan was to use the authority of the United Nations as a cover for unilateral actions to assert US control over South Korea.

Since the position taken by the Americans made the fulfilment of the Moscow decision impossible, the Soviet delegation in the Joint Commission proposed on September 26, 1947 the simultaneous withdrawal of American and Soviet troops from Korea leaving it up to the Koreans themselves to form their government. This proposal received ardent support from the broadest sections of the Korean population and took the Americans completely by surprise. They refused to discuss it and thereby revealed their intent to retain their presence in South Korea for a long time.

As one should have expected, the American government succeeded in getting the United Nations to adopt the resolutions Washington needed. The UN ad hoc commission on Korea, formed on US insistence, at first actually admitted the absence in South Korea of conditions necessary to hold free elections, but subsequently gave in to American pressure and approved the obviously rigged results of the election farce. Nevertheless, it was clear to the world public opinion that the staging of the elections and their returns were controlled by the Americans. The American stooge Syngman Rhee, who betrayed Korea's national interests, was thus put in the seat of "president" of the puppet government thus created. He was so much hated by the Korean people that some time later he had to flee the country in disgrace.

The Korean people wrathfully protested plans to partition the country and demanded an end to United Nations' interference in its affairs. Not only democratic parties and organisations, but also all middle-of-the-road parties and organisations and a number of right-wing parties of South Korea, including some that had previously closely cooperated with the American authorities (Kim Koo's and Kyusik's groups) took part in the nation-wide boycott of the separate elections.

The United Democratic Front of Korea, which united these parties and organisations, responded to separate elections in the American zone with the decision to hold elections throughout the country. The Supreme Peop-

le's Assembly was formed as a result, and in September 1948 it proclaimed the creation of the Democratic People's Republic of Korea. On the DPRK government's request, the Soviet government unilaterally withdrew its troops from Korea late in 1948. The Korean people once again saw for itself that, as opposed to the United States, the Soviet Union genuinely supported Korea's independence and its democratic development.

As to the South Korean "government" of Syngman Rhee, it first of all concluded a military agreement with the United States in August 1948, giving the latter full control over local troops and police and providing the American military the right to engage in the organisation, training and equipping of the armed forces in South Korea. The agreement had no mention at all of any date for the withdrawal of the American troops. It was so fettering and humiliating for the Koreans that the Americans and Syngman Rhee men did not dare publish it.

Upholding Korea's national interests, the Soviet Union consistently opposes the US aggressive expansionist policy, exposes in the international arena the essence of this policy and of the American government's individual actions. The United States will not escape responsibility before history for the immense and irreparable damage it inflicted to the Korean people by separating the country into two parts, setting them at loggerheads and preventing the creation of a single democratic Korean state.

In the south of the country the American army's bayonets brought traitors of the Korean people to power; they tried hard to win Washington's favour and hoped with its help to unleash a war to stifle the republic of people's democracy in the north of the Korean peninsula.

But as time went on the alignment of forces in the United Nations Organisation changed, and the balance was no longer in the United States' favour. The United Nations was joined by dozens of young, newly-independent countries of Asia, Africa and Latin America which identified themselves with and understood the Korean people's national aspirations. These countries refuse to support Washington's policy. American diplomacy suffered a telling defeat at sessions of the General Assembly already early in the 1970s when a delegation of the DPRK was invited for the first time to take part in the discussion of the Korean question. In 1973 the General Assembly decided to dissolve the United Nations Commission for the Unification and Rehabilitation of Korea which had served for more than 20 years as an instrument of imperialist interference in the Korean people's internal affairs. In 1975 the General Assembly voted overwhelmingly for the withdrawal from South Korea of all foreign troops that were staying there under the United Nations' flag. It called for the adoption of practical measures to stop the arms buildup in the Korean peninsula, the prevention of military confrontation and the replacement of the armistice agreement with a peace treaty.

The United States refuses to heed the calls of the United Nations Organisation. The world is a witness of the escalating aggressiveness of American imperialism which threatens peace and security in the Far East.

The Korean people is struggling in a difficult situation against the intrigues of the imperialists and their ilk, upholding the cause of the homeland's unity and independence. The Democratic People's Republic of Korea is the bulwark of this struggle. Its peaceloving and constructive proposals on the unification of the country have the ever growing support. The Soviet Union and all the other socialist countries welcome the DPRK government's initiatives which open up the possibility of solving the Korean problem in the only correct and realistic manner in our time—on the basis of an agreement reflecting the aspirations and demands of the entire Korean people.

THIRTIETH ANNIVERSARY OF BANDUNG CONFERENCE NOTED

Moscow FAR EASTERN AFFAIRS in English No 3, Jul-Sep 85 pp 46-51

[Article by V. A. Vasilyev: "On the 30th Anniversary of the Conference in Bandung"]

In April 1985 the world public marked the 30th anniversary of the Bandung Conference which played an important role in the national liberation movement of the peoples of Asia and Africa. The Conference laid the foundation for the unity of Afro-Asian peoples in their struggle against imperialism and colonialism and for the national liberation of the former colonial possessions and oppressed peoples. The Bandung principles were a weighty factor in the process of restructuring international relations on a new and democratic basis.

In a way, the historical Bandung Conference reflected the new situation prevailing in the world. It marked the independent countries' more active opposition to the imperialist bloc system and the further strengthening of Afro-Asian solidarity. The Conference left a deep imprint on the history of the world national liberation movement as a whole.

The defeat of nazi Germany and militaristic Japan and the emergence of the world socialist system radically changed the alignment of class forces on the world scene and essentially broadened the possibilities for a new type of international relations to be established.

The collapse of world imperialism's strike forces was of great historical significance for the countries of Asia, Africa and Latin America. Having begun their own independent development, the former colonies underwent a metamorphosis from the reserves of imperialism into allies of world socialism in the struggle for peace, democracy and social progress.

The objective coincidence of the vital interests and goals of the socialist states and the young developing nations has basically altered the content and structure of their relations and activities on the world scene. This has been repeatedly demonstrated by their joint efforts in world affairs, by the viewpoints they share and the stands they take at the United Nations and in various international forums.

The development of the newly-free Asian countries' foreign policy was a complicated but steadfast process. First this process had close links with the fundamental ideas of the national liberation movement, which had much in common in the majority of developing countries since this movement, above all, was anti-imperialist and anti-colonial in nature. Second, policy formulation depended on the specific features of each country's historical and political development, the alignment of class forces after independence was won when each country had to choose its own road of social and economic development. The class interests of major social strata and groups also influenced the policy-making process. Here, the situation in each separate country and the complicated interconnection between internal and external factors had their say.

The consolidation of the socialist countries' positions and their enhanced role in world affairs, as well as the disintegration of the colonial system which had already begun and a certain reluctance of the majority of Asian

and African countries to submit to *diktat* seriously alarmed the imperialist powers, especially the USA.

More and more frequently the socialist countries and newly-free nations came out jointly for the world's democratic rejuvenation of the world, for progressive development, and against the imperialist forces striving for world hegemony. With the independence of newly-free Asian, African and Latin American countries gaining in strength, a new urgent task appeared, that of ensuring their security and sovereignty by joining hands, by uniting into a single movement or even organisation capable of opposing the imperialist powers' pressure and provocations.

It is common knowledge that an attempt to this effect was first made in 1945 by Ho Chi Minh, the President of the Democratic Republic of Vietnam. He suggested that the DRV and Indonesia adopt a declaration on joint action against colonialism and that a commission be set up to sponsor cooperation between Southeast Asian countries. Also in 1945, during the UN Constituent Conference in San Francisco, representatives of some Asian and African countries put forward an idea of stronger cooperation and unity of peoples of the two continents. They appealed to Jawaharlal Nehru, the liberation movement's most authoritative political leader, who approved the proposal and started working out the principles of uniting the two continents in order to step up the struggle against imperialism and colonialism.

In 1947, New Delhi hosted delegates from 27 Asian countries and a number of international organisations, such as the UN, the Arab League and others, who came for a conference. Addressing the delegates, Nehru stated that the isolation of Asian countries from one another was perhaps a most essential outcome of the European domination in Asia. As this domination was receding into the past, he went on, the walls surrounding us are falling down and we again meet each other as friends who had parted long ago.¹

The Conference particularly condemned colonialism in all its forms and proclaimed the idea of the Asian countries' rebirth for a new life as full-fledged members of the world community. In his speech Nehru stressed that the Asian countries had ceased to be pawns in other peoples' hands. He said they would follow their own line in world politics.²

The proposal to convene an Afro-Asian conference was first mentioned in the Communique of the meeting of representatives of India, Burma, Ceylon, Indonesia and Pakistan, held in Colombo from April 28 to May 2, 1954. The delegates urged respect for the developing countries' national sovereignty and non-interference in their internal affairs. They stressed the need for economic cooperation and mutual assistance in the spirit of "pancha shila". The second meeting of these states in Bogor on December 28-29, 1954, discussed the aims, date and place of the future conference, the range of the participating countries, and passed relevant resolutions.

The Bandung Conference was predetermined by the following factors:

1. Concern for the future of the nonaligned policy facing pressure from and intrigues by the major imperialist powers in Asia.
2. Desire to reduce the threat of war by eliminating hotbeds of tension.
3. Desire to increase Afro-Asian countries' weight in international policy-making.

It should be noted, however, that certain circles were interested in the conference so as to use it as an instrument to weaken, if not to eliminate, the socialist world's influence in Asia and to wrest the PRC from the socialist community, especially from the Soviet Union.

¹ See A. Vandenbosch, R. Butwell, *Southeast Asia among the World Powers*, Lexington, 1957, p. 299.

² J. Nehru, *India's Foreign Policy. Selected Speeches, 1946-1964*, Moscow, 1965, pp. 52-53 (in Russian).

The Bandung Conference (April 18-24, 1955) was attended by heads of state with different socio-economic systems, various religious beliefs and cultural traditions but united by the same goal—to oppose imperialist and colonial diktat. The outstanding political figure and statesman, Jawaharlal Nehru, one of the Conference's architects, said that Bandung was a part of the common great historical process which signified the emergence of a larger part of humankind as an active political force on the international arena. He also said that all the countries of Asia should meet on equal ground for the sake of common goals... Asia had been an applicant at Western courts and offices for too long, he said. Now this was to be a thing of the past. Asian peoples are intent to stand firmly on their own feet and cooperate equally with all those ready to cooperate with them, Nehru said. We are not going to be toys in other peoples' hands.³

Nehru was an ardent champion of the newly-free countries' economic progress and cultural revival. He vigorously advocated the development of economic, cultural and scientific ties with the Soviet Union and other socialist countries whom the oppressed peoples perceived as their friends and allies in the cause of upholding independence, social progress and sovereignty.

For the first time the front of Afro-Asian countries opposed imperialist machinations. This front became a component part of the world anti-imperialist movement. It is no surprise, therefore, that the very idea of convening a conference evoked very negative reactions from the ruling circles in the US, Britain and other imperialist states. They tried to frustrate the conference by staging subversive activity in the countries that wished to participate in it, and to channel the movement in a direction that suited their own interests.

The Soviet Union, as well as other socialist countries, backed the Bandung forum, viewing it as a graphic demonstration of the Afro-Asian peoples' growing unity in the struggle against all forms of national and racial oppression. The Soviet Union made a statement to the effect that the Bandung Conference would facilitate the development of the Asian and African peoples' national self-consciousness and promote cooperation among nations in the interests of international detente and universal peace.

The solidarity of Asian and African countries and the support they received from the socialist community were the main reason behind the fact that the reactionary forces' schemes against the Conference remained unrealised.

In a bid to win back positions they had lost, the imperialist powers prepared a large-scale counteroffensive against the newly-free countries and harboured plans to suppress the national liberation movement. Using the idea of creating a so-called collective security system against communism, as their shield, they began to set up a ramified network of military bases, knocked together military blocs—trying to involve newly-free countries in these blocs—and engaged in sabre-rattling along borders with the socialist states, sent their troops to areas where national liberation movements were active and heated up international tension. The aggravated situation in Asia and Africa in this period made it imperative to unite all anti-imperialist and peace-loving forces in the struggle against imperialist aggression, colonialism and racism, for national sovereignty, political and economic independence for the newly-free states.

The Conference in Bandung was expected to give answers to these and other questions facing the peoples of Asia and Africa and show them the way to oppose the cold war and imperialist alliances while uphol-

³ J. Nehru. *Op. cit.*, pp. 51, 53.

ding peace and peaceful coexistence. The Conference focussed on problems of peace and security and the establishment of the principles of peaceful coexistence as a basis in relations between states with opposing social systems. The unanimously approved Declaration on a Contribution to World Peace and Cooperation was of much importance; it proclaimed the following principles: respect for sovereignty and territorial integrity for all countries, respect for each country's right to individual and collective self-defence as stipulated by the UN Charter, the recognition of the equality of all races and nationalities, the rejection of intervention and interference in other countries' affairs, the non-use or threat of force or aggression against the territorial integrity and independence of any country, the settlement of all international disputes by peaceful means in accordance with the UN Charter, and the promotion of cooperation in the interests of all peoples.

The Conference not only recognised the five principles of peaceful coexistence but developed them into a harmonious system which became a political and legal foundation for relations between states with opposing social systems. The peculiar feature of the Bandung Conference was that it was held not to solve any concrete issue, but to consider and approve the fundamental principles underlying international relations. The significance of the Conference lies in the fact that it provided the foundation for Asian and African countries' united opposition to imperialism and colonialism, and demonstrated their strong desire to achieve full independence working together. The Conference proved convincingly that the newly-free nations' strength is in their unity and cohesion, in solidarity and cooperation with the socialist community. Bandung was an important factor in determining a worthy place Asian and African countries should occupy in the system of international relations. It became a guarantor for those countries' growing faith in their own forces and increasing readiness for collective action on the world scene, while gradually overcoming the contradictions rooted in the colonial past. This confirmed Lenin's prediction that a period is coming "in which all the Eastern peoples will participate in deciding the destiny of the whole world, so as not to be simply objects of the enrichment of others. The peoples of the East are becoming alive to the need for practical action, the need for every nation to take part in shaping the destiny of all mankind."⁴

The Bandung decisions greatly influenced the development of international relations, and the elaboration of new rules of international law. They helped invigorate contacts between Asian and African countries and between newly-free states and the socialist community.

Many of the propositions formulated in Bandung are still relevant today, too. This is so primarily because the Conference reflected an objective historical tendency towards the unity of freedom-loving and peaceful forces which oppose colonialism, all kinds of national and racial oppression and imperialist aggression, and advocate independence, peace and international security. These are the main trends in the world's development today.

It is particularly important for developing countries, their friends and allies to remember the experience of the Bandung Conference, to work for the implementation of its ideas right now, when the international situation is seriously exacerbated through the fault of imperialist circles in the US and its NATO partners and through the fault of reactionary forces within the newly-free countries themselves. Imperialism is changing the ways in which it dominates former colonial and dependent countries. It has shifted to neocolonialism which is characterised by indirect methods of domination and control. This is, above all, the monopolisation of world

⁴ V. I. Lenin, *Collected Works*, Vol. 30, p. 160.

trade channels and nonequivalent exchange. In order to retain their position in newly-free countries, imperialist states resort ever more frequently to such perfidious device as destabilisation. Entering into alliances with reactionary political forces in some developing countries, they thus impertinently interfere in those countries' domestic affairs, undermine the existing anti-colonial structure, push their own men into key posts, bribe leaders of political parties and public organisations, and discredit and remove patriotically-minded progressives. An example of the policy of destabilisation pursued by imperialist secret services is India where Prime Minister and outstanding political leader, Indira Gandhi, was treacherously assassinated.

Increasingly the CIA is concentrating on Afghanistan. Having launched a demagogic campaign of "defending" the Afghan Moslems and sending its agents and gangs of saboteurs to that country, Washington seeks to overthrow the popular-democratic regime and establish US control there. No devices of this sort, however, can change the alignment of forces which has taken place in the postwar world. Nevertheless, American imperialist bosses do not want to admit the real state of affairs and continue to claim world domination.

The growing cohesion of the nonaligned movement born in Bandung and its anti-imperialist nature have never been to the imperialist powers' liking. And today, too, imperialism is going out of its way to split the movement and to wrest it from its natural ally—the socialist community.

The UN has recognised the nonaligned countries which have been successfully cooperating with the socialist states in many spheres. Many Asian countries, especially India, work jointly with the socialist community for international recognition of the principles of peaceful coexistence and their implementation as the norm for interstate relations. It goes to their credit that newly-free states voted for the UN resolution banning nuclear weapons, favouring disarmament, the limitation of the arms race, and the creation of nuclear-free zones, and took part in the solution of problems related to new international economic relations.

The nonaligned countries heed the further development of regional cooperation on the basis of the principles of peaceful coexistence and non-alignment. The movement, which has its roots in Asian soil, and is marked by anti-colonial and anti-imperialist features has a wealth of experience in waging a joint struggle for peace and security.

The constantly growing might of the forces of socialism and democracy guarantees a reliable foundation for the national liberation movement. In March 1983, the heads of the nonaligned countries gathered in New Delhi in an atmosphere of world tension aggravated by the imperialists' activity in Southeast Asia, the Middle East and Africa. They demonstrated the movement's representatives progressive development, the unity of its participants and their loyalty to the common cause. The New Delhi Conference showed most graphically that without peace there can be no decolonisation, in the full sense of the word, and no genuine freedom; while mankind is threatened by nuclear catastrophe, neutrality and passivity are out of place. The period prior to the New Delhi forum was marked by an unprecedented arms race, especially nuclear arms, launched by the imperialists, led by the United States. Those forces are intensifying their military, political and economic expansion in the developing countries, declare vast areas to be zones of their vital interests, extend and modernise existing military bases and build new ones on other countries' territories. The imperialist powers are increasingly pursuing the policy of *diktat* and crude interference in the affairs of other states and nations. In doing so they resort to the time-tested colonial principle of "divide and rule" which, far from being neglected, is being applied even more industriously and perfidiously. Previously, the imperialist adhered to a policy

of splitting the nonaligned movement to achieve their own imperial aims. The same policy was pursued at the New Delhi Conference. A US "team" led by S. Johnson (who has close ties to the American UN representative) was actively engaged in brainwashing delegates during the Conference.

In New Delhi for the first time the developing countries fully realised that nuclear holocaust threatens all mankind. Moreover, they spoke of this danger in a loud voice. Indira Gandhi, an outstanding daughter of the Indian people, said: "An idea has become widespread of late that tactical nuclear weapons can allegedly be used in 'limited wars'. The big powers advocate the bankrupt 'containment' doctrine. More and more regions are being involved in strategic groupings, military blocs and alliances. New bases and installations are being set up. This is why our reply must sound more convincingly, come quicker and be more resolute. Striving for peace is universal".

India plays an important role in furthering the tendencies of peace and detente in Asia; India is one of the sponsors of the Bandung meeting. Jawaharlal Nehru emphasised that peace was not merely the renunciation of war. It is an active and positive approach to international relations and problems leading to a relaxation of tensions by solving problems at a negotiations table, increasing international cooperation in different spheres—cultural and scientific contacts, wider trade and business ties, and the exchange of viewpoints, knowledge and information. We must work to eliminate all the obstacles in the way of bringing our minds and hearts closer, obstacles that may arise in the way of international cooperation, he said.

Arms-rattling imperialists view Asia, Africa and Latin America as an arena for global confrontation with socialism. While previously crumbs of American aid to the developing countries were used to keep them in the orbit of capitalism, now they are tied up extensively to US military-strategic interests. The notorious "crusade" announced by the White House is spearheaded not only against the Soviet Union and its allies but also against the young states in Africa, Asia and Latin America. Washington's strategy planners are zeroed in on bending the "Third World" countries to their will and on bringing to naught their role in world politics.

Counterposing these efforts, the Soviet Union and all countries of the socialist community are favouring a bigger role of young states in international affairs. They are firmly set off against attempts to involve the Asian, African and Latin American countries in military-political alliances or apply to them the spheres of influence of existing blocs. Experience accumulated in the past three decades has shown that when it comes to crucial problems of modern time the socialist community and nonaligned nations take common or similar stand.

The threat of nuclear war made the broad masses of Asia, Europe and America anxious. It is essential, today as never before to ensure that the nonaligned movement's anti-war potential is realised in practical deeds for peace's sake. History proves that collective efforts embodied in joint actions of countries and peoples are an effective instrument in the struggle for peace, national liberation and social progress. The establishment of a lasting peace and security, the implementation of the Bandung principles of peaceful coexistence and cooperation of equal nations are in the interests, not only of the peoples of Asia and Africa, but of all mankind.

TAIWAN'S ROLE IN U.S.-CHINESE RELATIONS VIEWED

Moscow FAR EASTERN AFFAIRS in English No 4, Jul-Sep 85 pp 52-57

[Article by N. V. Vasilyev and Ye. G. Mironenkov: "The Taiwan Factor in American-Chinese Relations"]

For a long time now the Taiwan question has been a bone of contention in relations between the United States and China. It derived from attempts by the United States to prevent the victory of the Chinese revolution and the establishment of a new, socialist society in China. Washington tried to oppose revolutionary forces in China, first by granting economic and military aid to the Guomindang reactionaries, then by offering its mediatory services to save the Chiang Kaishek regime from inevitable military defeat, and, finally, by helping to protect the Guomindang "government" which was driven off mainland and had to confine itself to the territory of Taiwan.

The Guomindang regime was important to the United States because the American administration sought an opportunity to interfere in China's domestic affairs, leave the question of the outcome of the civil war unresolved, and wait for a suitable moment when it would be able to make a political bargain with the People's Republic of China using the "Taiwan lever".

Furthermore, Washington assigned to Taiwan and other allies a certain role within the strategy of "containing communism", bearing particularly in mind the People's Republic of China, a country regarded as a threat to American interests in the Far East and in the Pacific in the 1950s.¹

Taiwan's place in American policy vis-à-vis the PRC was finally defined following the victory of the Republican candidate, General Dwight Eisenhower in the 1952 presidential elections. In Congress the Republicans denounced the Truman administration for "losing China" and took steps to ensure American control over Taiwan by signing "a mutual defence treaty" with the Guomindang government in 1954 under which Washington officially pledged to protect the island. Together with the Guomindang regime, the United States made two attempts, in 1955 and in 1958, to aggravate the military situation in the Taiwan Strait area, threatening the People's Republic of China with an invasion. The firm and consistent peaceloving position of the Soviet Union which reaffirmed its loyalty to the Soviet-Chinese treaty of friendship, alliance and mutual assistance, helped prevent the outbreak of a large-scale military conflict in that region.

When Richard Nixon became President in 1968, the USA's entire foreign policy was revised. The reappraisal of values in the policy with respect to China was accelerated by defeats suffered by American imperialism in Southeast Asia and the administration's attempts to improve relations with China and thus make up for difficulties in the USA's Asian policy.

For the architects of American foreign policy, it was essential to determine a general stand that was to be taken in relation to the PRC and Taiwan, a stand that would cater to the USA's aims within global and re-

¹ See E. K. Snyder, T. Gregor, *The Taiwan Relations Act and the Defence of the Republic of China*, University of California, Berkeley, 1980, pp. 1-2.

gional strategies. Its ruling elite made a choice in favour of the People's Republic of China while the place and role of Taiwan, especially after its expulsion from the United Nations and other international organisations, were subjected to a revision in view of the Guomindang regime's limited opportunities to check "the growth of communist influence" in the Far East.

In implementing its "two Chinas" policy, Washington took a two-edged stand. On the one hand, Richard Nixon demonstrated his country's readiness to develop Sino-American relations and, on the other, he took every possible step to ensure Taiwan's separate existence under American control and the maintenance of the capitalist system there. Nixon's visit to Peking in February 1972 and the signing of the Shanghai communique there had little effect on Washington's approach to the Taiwan question. Washington, evidently, proceeded from the assumption that with the help of vague formulas in that communique and those in subsequent diplomatic documents it would be possible to maintain diplomatic relations, for an indefinite period of time, economic contacts and the "mutual defence treaty" with Taiwan. Such an approach to the solution of the Taiwan question enabled the United States to develop contacts with the PRC with minimum of concessions while preserving the de facto alliance with Taiwan at the same time.

Moreover, for many decades Taiwan had been receiving considerable military aid from the United States meant entirely for equipping the Guomindang army with American-made weapons and military hardware. Plants were built on the island for the joint production of combat aircraft and firearms.

By the beginning of the 1980s the Taiwan army numbered 500,000 with 330,000 men in the infantry, 35,000 in the navy, and 70,000 in the Air Force. There were also 39,000 marines.²

The long-standing political, military and economic contacts between Washington and Taipei led to the appearance of a certain group of people within the Republican and Democratic Parties of the United States, amidst officials of the state and government bodies, representatives of banking and industrial business circles, private companies and firms whose interests blended with those of the Guomindang bureaucracy and Taiwan politicians. This group of people is usually referred to as the "pro-Taiwanese lobby" within the USA's state, military and political mechanism.

American ruling quarters' More general strategic interests and Nixon's personal ambitions compelled him to seek a solution of the Taiwan question that would in no way infringe on the direct interests of the "pro-Taiwanese lobby" and the conservative forces supporting it. These considerations were taken into account when the "Guam doctrine" and the policy of the "Vietnamisation" of the war in Indochina were being outlined and plans prepared to reduce the American military presence in the Area of the Taiwan Strait. The situation that had obtained around the Taiwan question was largely influenced by the victories of the Indochina people's movement for national liberation which changed the balance of forces in the region decisively in favour of peace and socialism.

The Ford administration seemed to make practically no changes in the solution of the Taiwan question. However, the American-Chinese rapprochement slowed down considerably in that period.

When Jimmy Carter took office in January 1977, key posts in the National Security Council were distributed among persons advocating the use of the "Chinese factor" in confrontation with the Soviet Union who had no political, military or economic ties with the Guomindang regime.

² See E. K. Snyder, T. Gregor, *Op. cit.*, p. 25.

All the proposals of Zbigniew Brzezinski, Michael Oksenberg and other supporters of a Sino-American alliance were designed to ensure the United States' interests in Asia through China which, in the event of a crisis in the Far East, "will be a responsible counterweight shielding the United States from the brunt of the Soviet threat".³ In May 1978, the American President's Advisor on National Security Matters, Zbigniew Brzezinski, went to Peking where he was expected to discuss with Chinese leaders President's ideas about the normalisation of relations between the two countries. Brzezinski was not chosen at random for that mission. He was to arrive in China on May 20, the day on which a new President of Taiwan, Jiang Jingguo was to be elected. In this seemingly insignificant step, Jimmy Carter demonstrated his readiness to establish diplomatic relations with China while degrading Taiwan's status in America's bilateral relations with it.

When the Republican Party came to power, significant changes were made in the alignment of forces within the American administration and, accordingly, in the approach to a series of problems determining the level and nature of relations with China. That happened, first of all, because Ronald Reagan surrounded himself with advisors characterised by anti-communist sentiments. While favouring the development of American-Chinese relations in political terms, at the same time, they stood for the maintenance of Taiwan as an American strategic asset, promoting in particular, military contacts with the Guomindang regime by supplying it with most modern weapons.

The influential "Taiwan lobby" in the Congress and some large American industrial corporations were among the active supporters of the "pro-Taiwan" emphasis in Reagan's foreign policy. The Pentagon played an important part in consolidating the American position on Taiwan. The Pentagon is afraid that should the Taiwan question ever be resolved, the island may be used by "communist enemies" as a springboard for carrying out attacks on American military installations on the territories of Japan and the Philippines. While under American control, Taiwan, according to Pentagon strategists, can be used, in certain situations, to block the Chinese air and naval forces, threaten economic installations in China, and keep track of progress made in the modernisation of the Chinese army; all this seems to be an alluring prospect for American military circles who therefore support stronger ties between America and Taiwan.

These forces were catalysts for a certain reappraisal of Sino-American relations and of Taiwan's importance for the United States; there arose new reasons to involve the island into Washington's strategic and foreign policy plans. All this aggravated Sino-American relations.

First of all, Taiwan is now viewed as a "natural" and reliable anti-communist ally while China is regarded as an "unnatural" partner and, therefore, questionable in terms of its reliability and durability.

Secondly, American ruling circles look at Taiwan as a kind of "show-piece of prosperous capitalism" in Asia, especially, against the background of the rapid growth of its GNP in the last 15 years (at an annual rate of about 10 per cent). This is a factor of particular importance for right-wing forces, since the "show-piece" is mainly used as an object of influence on "communist China", with its rather complicated economic problems.

Thirdly, emphasis is placed on the growing strategic importance of Taiwan for the United States as an important point situated close to sea

³ J. C. Hsiung, *The Conceptual Foundations of US China Policy. A Critical Review*. School of Law, University of Maryland, 1980, No. 2, pp. 13-14.

lanes linking the western coast of the United States and Japan with the energy resources of the Middle and Near East.

The Reagan administration worked out its position on the Taiwan question and on the broader Chinese question taking into account the opinions of the opposition forces within the American ruling elite. While some political advisors of the President set their sights on long-term relations with Taiwan, others felt that the development of relations with the People's Republic of China should be given priority. As a result, the White House had to adopt a dual, pragmatic approach to the Taiwan question and had to continue manoeuvring between Peking and Taipei within the framework of a "one China, two governments" policy. This shift in American policy towards China took place first, due to Reagan's rather tough line in the Taiwan question, and, secondly, due to a certain reappraisal of the role and importance of the "Chinese factor" in the US Asian policy.

These tendencies could not help but provoke anxiety in the PRC. Mindful of Reagan's dual policy, the Chinese leadership strongly attacked Washington's actions, blaming it for the fact that the Taiwan Relations Act "flouts the Sino-US agreement on the establishment of diplomatic relations and principles of international law".⁴ It declared in that context that "China reserves the right to resort to the use of force to resolve the Taiwan question". That was one of the first Chinese warnings to the Reagan administration which continued to maintain its "one China, one Taiwan" policy. China was especially critical of the statement Ronald Reagan made in Los Angeles on August 25, 1980 in which he mapped out American policies in Asia, including the policy with respect to Taiwan. In particular, he pointed out, in reference to the United States' policy in the Far East, that relations with Taiwan would develop in accordance with American laws and that the United States would continue to abide by all its commitments as regards the island's security.

Paying little heed to Chinese protests, Washington continued to maintain a policy designed to promote contacts with the Guomindang regime. Economic relations between the United States and Taiwan continued to expand all the time. In 1980, trade turnover between the United States and Taiwan was estimated at \$11 billion and, in 1983, at more than \$13 billion. The Export-Import Bank of the United States and the private Overseas Investments Corporation planned to grant more credits to Taiwan. American businessmen gathered around the US-"Republic of China" Economic Council—an organisation set up in December 1977—and consolidated their positions in it. The Pentagon played and continues to play an important role in American policy vis-à-vis Taiwan, it seeks to keep the island within the framework of the American military and political structure in the Western Pacific. Washington and Taipei are cooperating militarily in many ways: officers and military experts of the Taiwanese army are being trained on territories of naval and air bases of the United States, etc.

The question of the delivery of American arms and military hardware to Taiwan has become especially acute. In June 1979 the American Department of Defence submitted to Congress a list of weapons worth of \$240,700,000 ready to be shipped to Taiwan. That list included 48 F-5E fighters, 500 "Maverick" "air-to-ground" missiles, laser scanning equipment and anti-tank rockets. On June 3, 1980, the US State Department declared that Washington was ready to sell Taiwan \$280 million worth of additional weapons, including various kinds of the "Harpoon"-class missiles and R-3 anti-submarine planes. Taipei, for its part, turned to the United States with a request to continue the joint production of F-5E fighters on Taiwan and to allow Taiwan to purchase F-16, F-18 and F-4

⁴ *Renmin ribao*, July 4, 1981.

aircraft. Taiwan also bought two AWACS planes from the United States.⁵

The United States kept fulfilling its commitments under the Taiwan Relations Act of 1979, delivering weapons to the Guomintang regime and making believe, for propaganda purposes, that Taiwan was receiving defensive and obsolete kinds of military hardware.

The People's Republic of China took retaliatory steps to force the Reagan administration to stop the deliveries of weapons to Taiwan. Besides, China gave Washington to understand that arms deliveries to Taiwan would complicate Sino-American relations even further.

Efforts to neutralise the Taiwan question and improve relations between the United States and China led to what is known as the "second Shanghai Communiqué" which was signed following talks over the problem of American weapons sales to Taiwan and made public on August 17, 1982. This contradictory document reflected the compromise achieved during the talks: the Chinese had to accept the reality of further deliveries of American equipment to Taiwan in return for Washington's verbal assurances to reduce and stop them in some indefinite future.

It should be mentioned at this point that the PRC planned Taiwan's liberation by peaceful means back in 1955, when Zhou Enlai told the 2nd session of the National People's Congress that "the Chinese government wished, if it were possible, to discuss with the competent local authorities on Taiwan concrete steps towards liberating Taiwan by peaceful means". Ever since then, peaceful intentions were invariably present in China's approach to the Taiwan question. In 1973, in particular China worked out its position on that question anticipating in its basic features, the current PRC proposals consisting of "nine points". It should be stressed that while advancing peaceful methods as preferable, the Chinese government never waived its sovereign right to solve this internal problem by any means. China's official position on this question has remained unchanged to this day.

On the other side of the Taiwan Strait, the Guomintang government has been turning down China's proposals for peaceful reunification in a most decisive way all these years and has been building up the country's military potential with American help. In line with that spirit, Taiwanese authorities replied to the Chinese government's January 1, 1979 statement and to the "9-point programme". As for the joint communiqué of August 17, 1982, they lodged a protest with the United States.

Ignoring China's protests, the United States delivered to Taiwan in 1983 \$800 million worth of arms, and, in 1984, \$780 million.⁶ This exceeds the sales during the previous years and sharply contrasts with the commitment Washington made in the August 17, 1982 communiqué.

Apart from arms sales, other controversies arose from time to time around the Taiwan question. In June 1983 the US "Pan-American" airlines opened an air route that linked the United States with Taipei. In November the same year the US Senate Foreign Affairs Committee passed a resolution on the "future of Taiwan" and both the Senate and the House of Representatives approved a bill stipulating the allocation of certain sums to Taiwan and demanding Taiwan's full-fledged membership in the Asian Development Bank. Peking viewed these decisions as new attempts to interfere in China's domestic affairs.

The American administration continues to back the Guomintang regime and in so doing seriously opposes China's desire to restore its territorial integrity. For China, the solution of the Taiwan question would be an epilogue to more than a century-long historical period during which

⁵ See "Nationalists Update Fighter Force", *Aviation Week and Space Technology*, Vol. 108, No. 22, May 29, 1978, pp. 14-16.

⁶ See *Far Eastern Economic Review*, April, 14, 1983, p. 44.

China had been a target of foreign invasions, humiliation and the establishment of colonial enclaves on its territory.

From the point of view of Sino-American relations, as far as the place and role of the Taiwan question are concerned, there can be no doubt that Taiwan will remain a major source of controversy and constant anxiety for the two sides. The radically different approaches of the two sides to individual aspects of the Taiwan question and to the problem as a whole cannot be overlooked either.

Until mid-1983 the Reagan administration promoted contacts with Taiwan but it was always conscious of the fact that a lower level of relations with China may affect American strategy in the Far East, in South-east Asia, and in the world at large. Aware of this, American politicians often repeat the idea that the Taiwan question must be solved on a bilateral basis and by peaceful means; but some American politicians favour the formation of an independent Chinese state on Taiwan. Such ideas are advanced in order to camouflage American ruling circles' genuine intentions in relation to Taiwan and to postpone as long as possible, without any detriment to the development of Sino-American relations, a just solution of the Taiwan question, since the US proceeds from the premise that it is most unlikely that China will use military means to resolve the Taiwan question.

There are quite a few factors, in the opinion of American experts, which would seriously limit China's possible military operations against Taiwan, particularly, the specific geographical position of the island, the lack of necessary military-transportation means that China could use, the difficulty of ensuring the sufficient concentration of troops in the Taiwan direction and the possibility of a sharply negative reaction from the United States, Japan and West European countries to such a move.

American experts, at the same time, do not fully rule out the possibility that China might exert pressure on Taiwan by establishing a military blockade of the island, attempting to seize the offshore islands of Jinmen and Mazu, establishing an economic blockade or taking measures to organise a political struggle on the island itself against the Guomindang regime.

This approach on the part of the PRC could put the United States into a predicament, since the Taiwan Relations Act obliges the American administration to react to situations of this kind as a "threat to peace and security in the Western Pacific".

On the whole, in the future the significance of the Taiwan question in Sino-American relations will depend on a number of factors, including on how American and Chinese policies towards Taiwan will develop and what direction the political life inside Taiwan will take.

Currently, however, the Taiwan question continues to be a controversial issue in Sino-American relations. The USA and PRC have thus far failed to find a long-term solution of this problem. At present it continues to affect the future of Sino-American relations on at least two levels. It will at the very least be a perennial cause of friction and conflicts that could be neutralised by stimuli for rapprochement or exposed by aggravation of certain differences between the USA and the PRC. At most, differences over the Taiwan issue might, under certain conditions, grow into a serious conflict and could do significant damage to Sino-American relations.

There can be no doubt, however, that the Taiwan question is a major obstacle to the steady and long-term development of Sino-American relations, for the United States does all it can to perpetuate its control over Taiwan and continues its crude interference in the affairs of the People's Republic of China.

JAPAN'S ECONOMIC PENETRATION OF SOUTH KOREA

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[Article by D. Mun, candidate of economic sciences]

Until the early 1960s economic expansion into South Korea was the privilege of the US alone. Having secured a dominant position on the South Korean market, Washington sought to develop economic relations with Seoul only so much as they helped to stabilise the economic and political position of the Seoul regime and turn the Southern part of the peninsula into a major bridgehead of imperialism in the Far East. The deepening general crisis of capitalism and the aggravation of the socio-economic situation in the South of Korea, a chronic budget deficit and depletion of the gold reserves in the US, the successes of socialist construction in the DPRK—the recipient of aid from the USSR and other socialist countries—all obliged Washington to abandon its monopoly on the economic penetration of South Korea and allow some investment by other countries. In this collective expansion, the US gave priority to Japan so as to make it shoulder part of the cost of supporting the South Korean regime, involve it more profoundly in US Far Eastern policy and somewhat weaken Japanese influence on the American market through certain concessions in South Korea.

For its part, Japan was very interested in actively penetrating the South Korean economy. Its thorough knowledge of this market, Korea's geographic proximity and extremely low cost of labour made South Korea a profitable object for investment and economic expansion. In addition, through economic cooperation with Seoul, Tokyo sought to build up South Korea's military-economic potential which it regarded as the "front line of defence" for the Japanese Islands. In its turn, Seoul found it expedient to actively court Japanese capital and conduct wide trade with Japan so as to attain export-oriented industrialisation and realise its ambition of military and economic superiority over the DPRK. This, in Seoul's opinion, would allow South Korea to dictate its conditions in the question of Korean reunification.

Under these circumstances, it was quite natural that with active US aid and mediation, the former metropolitan country and colony normalised their relations in December 1965. This opened the door for Japanese capital's intensive penetration of South Korea and paved the way to build the tripartite Washington—Tokyo—Seoul alliance directed against the DPRK and other socialist countries.

ECONOMIC EXPANSION

When access to South Korean economy was opened the country was flooded by relatively excessive capital from the Japanese Islands. From the very beginning this was state-monopoly capital: the export of private capitalist and state investments was organically combined in a single flow of capital, the main part of which reached South Korea in the form of loans and credits.

On the whole increasing the granting of loans and credits to the Seoul regime, Japan timed its credit policy rather irregularly: a powerful stream

of loan capital sometimes narrowed to a trickle and then again turned into a wide flow. Such irregularity was caused by Japanese-South Korean political relations which from time to time became rather cool. Dosing out loans and credits, Tokyo tried to keep down some of Seoul's excessive, from its point of view, demands and make the South Korean regime more "docile". Thus, in 1975, under conditions of deteriorating political bilateral relations,¹ Japan cut by 6.2 times its loans to South Korea in comparison with the previous year.

In 1966-1983 Japan exported loan capital to South Korea to the tune of \$4,355 million or 13.4 per cent of all loans received by the country. In this respect, Japan was second only to the US, which continues to bear the main responsibility for the fate of capitalism in the South of the peninsula.

A large part (some 38 per cent) of these sums were granted by Japan to Seoul in the form of state loans. Overall Japan exported \$1,660 million in loans to South Korea from 1966 to 1983. Having begun its economic expansion in South Korea later than many other countries, Japan quickly joined the ranks of major exporters of state capital to that country, second only to the US.

Japan's granting of state loans was usually contingent on Seoul's obligation to buy Japanese products. Therefore Japan's economic "aid" through state channels was, above all, aid to itself because it contributed to the expansion of Japan's exports. Seoul used Japan's state loans to build and reconstruct rail and motor ways, ports, electric power stations and other elements of its infrastructure, a metallurgical complex in the city of P'ohang and its facilities. South Korea also bought food from Japan, mainly rice, to cover its shortage of food.

Beginning with 1971, in accordance with special bilateral agreements, Japan granted Yen loans to South Korea. These loans, directed along the "official development aid" line, were used to boost production for export, modernise agriculture and fishery, purchase complex equipment for factories making synthetic fibers and rubber, cement, as well as to ease the budget imbalance. From 1971 to 1980 the Japanese government rendered Yen loans worth \$879 million to the authorities in Seoul.

In accordance with the Agreement on Reparations and Economic Cooperation, effective as of December 1965, Japan paid reparations to the Seoul regime up to 1975. Reparation payments amounting to \$300 million were channeled for the development of metallurgy, agriculture, fishery, the construction of dams, speedways, railways, ports and other projects of production infrastructure.

Naturally, no interest was attached to reparations and formally they were unrepayable. However, paying the reparations, Japan was at the same time foisting on Seoul various political and economic obligations. Giving South Korea part of its budget "free of charge", Tokyo, as when it granted loans, strove above all to secure and consolidate the most favourable socio-economic conditions for the export of Japan's private enter-

¹ The deterioration of relations was caused by territorial claims and an abortive attempt on the life of Park Chung Hee by a Japanese citizen of Korean descent, Moon See Kwan. The object of territorial controversy is an islet in the Japanese Sea, called Takeshima by Japanese and Tokto by Koreans. Moreover, in the controversy over the Senkaku Islands between Japan and the PRC, Taiwan and South Korea also claimed these islands. As to Moon's abortive attempt to assassinate the South Korean dictator, Seoul authorities accused the Japanese government of connivance with respect to the "pro-Pyongyang" Korean League in Japan (Chochongnyon), with which Moon was allegedly connected, and demanded an end to the existence of the League in Japan. Tokyo rejected the charges and regarded Seoul's demands as direct interference in Japan's internal affairs. The fact that South Korean authorities were interested in whipping up anti-Japanese sentiments from time to time in order to dampen protests against the undemocratic regime also contributed to the deterioration of relations between Japan and South Korea.

prise capital, gain maximum profits, and win markets for many industrial goods in South Korea.

The bulk of capital exported by Japan to South Korea was in the form of commercial credits. By the end of 1983, these reached a total of \$2,690 million, or 59.5 per cent of all Japan's investments in the South Korean economy.² Commercial credits received by the South from Japan were used to develop the petrochemical, oil-processing and chemical industries, power industry, communication, the machine-building and automobile industries, as well as the production of special kinds of steel.

Commercial gains connected with these credits explain their predominance in the total volume of loan capital exported to South Korea. Japan credited goods exports to this country and boosted profitable sales of its own commodities. Private capital fully connected credits with suppliers while exporting companies used their monopoly to dictate high prices.

It must be noted that Japan granted credits to South Korea on much more favourable terms than other states did. For a long time the interest rates on private loans from Japan held at a level of 3.25-5.75 per cent, seldom rising to 7.75 per cent, with repayment from 5 to 25 years. Repayment delay usually lasted seven years, only rarely falling to 1.5-5 years.³ Some credits were granted free of interest. However, this did not mean free credit, because the commercial rate on credit was closely connected with the price of delivered goods, i. e., the rate was included in part or in full in contract prices.

Japan is a leading exporter of loan capital in the form of commercial credits to South Korea. Its share in the total volume of private credit received by Seoul in 1959-1983 amounts to 20.1 per cent.⁴ In this respect, too, Japan is second only to America.

Japan's economic "aid" through reparations, government loans and commercial credits provided South Korea with an important source of capital accumulation. As a result, the reproduction of public capital in South Korea turned out to be closely tied up with Japanese capital. Seoul tried to use this "aid" to bridge the gap between internal and necessary accumulations, while Tokyo saw it as a powerful lever to make South Korea an exploitable component of Japan's reproductive complex. This proved to be a major contradiction between Japan and South Korea.

Japan's monopolies are in the lead in direct investments in South Korea, far surpassing even American transnationals which were first to undertake business activity there. Infiltrating the South Korean economy in a haphazard way Japan's direct investments, by the end of May 1984, reached a total of \$861.3 million against \$498.4 million invested by Americans, or 48.2 and 27.9 per cent respectively of all foreign investment in South Korea.⁵

Japanese companies invest mainly in labour intensive and ecologically harmful production. They are especially active in penetrating the textile, electrotechnical, chemical, automobile, shipbuilding and other processing industries which account for 84 per cent of all direct Japanese investments in the South Korean economy.⁶ They are also vigorously asserting themselves in the service industry.

It should be specially stressed that Japanese transnational corporations (TNCs) have been more active than other countries' companies in moving

² V. I. Shipayev, *Japan and South Korea: ("Aid to Development and its Results")*, Moscow, 1981, p. 113; *Gekkan Chosen Shiryo*, 1983, Vol. 23, No. 3, pp. 65, 74; *Keizai hyoron*, 1983, No. 7, pp. 56, 58; *Korea Herald*, March 10, 1984.

³ For comparison, the maximum rate fixed by the US and West European countries equals 12 per cent while the minimum rate is 9 per cent (See V. I. Shipayev, *Japan and South Korea...*, p. 117; *Gekkan Chosen Shiryo*, 1983, Vol. 23, No. 3, p. 67).

⁴ *Korea Herald*, March 10, 1984.

⁵ *Ibid.*, June 2, 1984.

⁶ *Gekkan Chosen Shiryo*, 1982, Vol. 22, No. 5, p. 60.

ecologically adverse industry to South Korea. Transferring "dirty" industries to other countries, including South Korea, Japan, a country where the destructive consequences of capitalist super-industrialisation are especially acute, is trying to ease the problems of protecting its own environment.

It is indicative that Japanese monopolies' direct investments in the South Korean economy are intended mainly to stimulate the production of goods for export. Of ten industries that received the bulk of such investments, eight used them to produce goods for foreign markets. Conversely, American transnationals in South Korea mainly aim to replace export goods from the US with their local production.⁷ Hence the majority of Japanese and US companies that set up their affiliates or subsidiaries in South Korea, practically speaking, do not compete on the local market. Of course, the "peaceful coexistence" between American and Japanese TNCs in South Korea has its limits. Their interests on the local market, after all, do collide. Firstly, a number of Japanese affiliates and subsidiaries in South Korea produce for the local market. Secondly, Japanese export enterprises sell a considerable part of their products on the spot. Thirdly, in the long run it is possible that in the race for high profits US and Japanese companies will interpenetrate their "legitimate" spheres of business.

One other peculiarity of direct Japanese investment in South Korea is that a sizable part of it is realized by small and medium enterprises in industries with outdated technology. Of all the objects of Japanese direct investments in South Korea only 24 per cent constitute large companies employing over 300 people. By the end of 1980, investments by Japan's small businesses were concentrated in 525 objects in South Korea.⁸ Undoubtedly, the export of capital by second-rate Japanese firms alleviated the problems connected with the "double structure" of Japan's economy. Relying on their financial and technological might, Japanese TNCs win key positions in many branches of South Korean industry. Japanese capital controls 100 per cent of the chemical, aluminium and glass industries, 80 per cent of the output of rolled steel and refrigerators and 50 per cent of the cement industry in South Korea.⁹

Japanese monopolies have taken strong positions in South Korea's foreign trade as well. Since 1978, Japanese trade companies have accounted for about 10 per cent of go-between operations in South Korean export. The role of Japan's universal trade monopolies is especially great in the export of South Korean goods to Japan. In 1978, they handled 58.1 per cent of South Korean exports to Japan, and in 1981, 40 per cent.¹⁰ The South pays a lot of money for Japanese firms' go-between operations.

Since about the mid-1970s Japanese companies have tended to withdraw their capital from South Korea. In the middle of 1979 a well-known Japanese company, Itochu Shoji, fully repatriated its capital from the mixed firm Sungsan sumyu. Another Japanese company, Honda giken was also obliged to withdraw its capital from the mixed enterprise Kia Kiyon kongop; in March 1980 Matsushita denki quit the firm Korea National. The well-known firm Sony ended its participation in the mixed enterprise Voshin Sony, Kanebo and Tomen divorced the company Tondo uiyo. The Japanese companies Mitsui Denki, Taiyo yuden, Nihon keburu sishutemu, Maruichi kokan and others intend to transfer their capital from the Masan export zone of South Korea to other countries and territories in South East Asia. According to a Japanese newspaper, "more than a half of Japanese businesses in the Masan zone express the wish to leave South Ko-

⁷ For details see *Hitotsubashi Journal of Economics*, 1980, Vol. 20, No. 2, p. 29.

⁸ *Keizai*, 1982, No. 218 (8), p. 13; *Far Eastern Economic Review*, 1982, Vol. 116, No. 20, p. 68.

⁹ *Pravda*, Sept. 16, 1980.

¹⁰ *Gekkan Chosen Shiryo*, 1982, Vol. 22, No. 5, p. 62.

rea if they can sell their assets at acceptable prices".¹¹ Under the circumstances (and with Seoul's measures to limit the influx of small investments) Japan's direct investments dropped in 1977-1981 to \$214.9 million in comparison with 376.9 million in 1972-1976.¹²

The explanation of the Japanese companies' behaviour, which seems strange, at first sight, is the certain growth of wages in South Korea, which tends to nullify the region's most attractive factor for foreign business capital—the extremely low cost of local labour; some measures taken by the Seoul authorities under the pressure of the local bourgeoisie to limit the activities of foreign entrepreneurs and enhance the share of national capital in mixed enterprises; a deteriorating business situation both internally and externally which hinders profitable commodities sales; South Korea's development into a rival for Japan on the world market; and a long-term, unstable internal political situation.

It should be noted, however, that the majority of Japanese companies have a firm foothold in South Korea and plan to continue to reap handsome profits for a long time to come, through the vigorous exploitation of local labour which still remains cheaper than Japanese labour (in the processing industry, for example, 5-6 times).¹³ The last few years have even witnessed a new Japanese investment boom in South Korea. In 1981 direct investments of Japanese capital in South Korea equaled \$34.6 million, while in 1983 they reached \$167.5 million, or as much as over the whole period of 1977-1980.¹⁴

A massive influx of loan capital from Japan and other countries has resulted in the huge growth of South Korea's foreign debt. By the end of 1983 it reached the astronomical figure of \$40,100 million. The growing debt has entailed quickly rising expenses connected with the repayment of loans, credits and interest, which in 1983 reached \$6 billion. Payments of interest on loans and credits alone in 1981 amounted to \$3.7 billion and, in 1982, \$3.9 billion. These figures graphically testify to the substantial financial exploitation of South Korea by the exporters of loan capital, including those from Japan.¹⁵ Naturally, the general volume of actually realised funds of external origin has been decreasing with interest paid for earlier credits.

With an increasing financial drain caused by repayment of the foreign debt, the military-economic buildup and further industrialisation, South Korea constantly experiences an acute shortage of capital accumulation. In this situation, the South Korean foreign minister, during talks held with the Japanese foreign minister in Tokyo in August 1981, asked the Japanese for a loan of \$6 billion on privileged terms mainly for the purpose of "ensuring security". The Japanese side, providing various excuses, said it was unable to render "assistance" of that size. After 18 months of bargaining, Seoul managed to talk Tokyo into granting South Korea \$4 billion. During his visit to South Korea (January 11-12, 1983) the Japanese Prime Minister Y. Nakasone signed an agreement on loans and credits in accordance with which in the course of 7 years Japan would grant Seoul export credits totalling \$2,150 million at an interest rate of 7.75 per cent and yen loans by way of "official development aid" to the equivalent of \$1,850 million (including bank credits for \$350 million) with a term of repayment of 18 years and a 7-year postponement of the repayment period and an interest rate of 4-4.5 per cent.¹⁶

¹¹ *Nippon keizai shimbun*, August 4, 1979.

¹² *Korea Herald*, Nov. 2, 1984.

¹³ Calculated on the basis of *Kikai yushutsu*, 1982, Vol. 30, No. 7, p. 36.

¹⁴ *Korea Herald*, June 2, 1984.

¹⁵ V. A. Marinov, A. V. Torkunov, *South Korea—The Base of Imperialism in the Far East*, Moscow, 1979, p. 63; *Gekkan Chosen Shiryo*, 1983, Vol. 23, No. 3, p. 62; *Ton'a ilpo*, January 19, 1984.

¹⁶ *Hankook Kyunje shinmun*, January 13, 1983.

Japanese capital's energetic penetration of South Korea has resulted in the latter's economic dependence on the major capitalist power in Asia. A new profuse injection of funds would considerably strengthen the dependence of the South on its former metropolitan state.

FOREIGN TRADE EXPANSION

In contrast to the export of capital, Japan's trade exchanges with South Korea began long before the normalisation of bilateral relations. Trade was resumed soon after the end of World War II during the US occupation of the Japanese Islands and the Korean Peninsula south of the 38th parallel. The former metropolitan state and colony were trading for cash in dollars with the permission of the occupation authorities in Japan and the American military command in South Korea.

In the 1940s-1950s Japan exported to South Korea textiles, paper, timber, metals, metal goods, machinery, chemical drugs and other products of the processing industry, as well as pedigree livestock. It imported from South Korea mainly products of the mining industry, agriculture and seafood. Thus, the structure of Japan-South Korea trade kept the character of the colonial past, when Japan supplied Korea with finished industrial products and imported mineral and agricultural raw materials and sea food.

Even without diplomatic relations, Japan was a major trade partner for South Korea. Up through 1964, Japan was an important contractor in South Korean exports. At times Japan accounted for more than one half of all exports from South Korea. For example, in 1960 Japan's share of South Korean exports reached 61.6 per cent. Japan's contribution to South Korean imports was not as great, but still significant (20.5 per cent in the same year). Until relations were normalised, bilateral trade was not balanced: Japan's exports to South Korea, as a rule, significantly surpassed the flow of goods in the opposite direction.

After the establishment of diplomatic relations bilateral trade expanded rapidly. In 1965 trade between Japan and South Korea amounted to \$210.6 million, while in 1970 it reached \$1.049 million—almost a five-fold increase over six years. This was due to South Korea's rapid export-oriented industrialisation, the vigorous penetration of Japanese capital into the country's economy, and the expansion of Japanese exports at the time of an economic boom.

The year 1975 stood out in the development of trade between Japan and South Korea: for the first time since the establishment of diplomatic relations trade dropped by 6.8 per cent. This was caused by the same factors that lead to the decline of Japanese loan capital exports to South Korea.

Tokyo's relations with Seoul are based on the principles of the common struggle against socialism and so tension between them was defused with US mediation. This was immediately reflected in bilateral trade. Already in 1976, trade between the two countries jumped up to \$4,901 million. In subsequent years Japanese-South Korean trade continued to expand and in 1979 reached a record level of \$10,010.6 million.

In 1980 commercial exchanges between Japan and South Korea fell by 11.1 per cent. This was caused first of all by a drastic slow-down in the South Korean economy: a 5.7-per-cent decline in production. The deterioration of Japan's trade balance which in 1980 showed a deficit of \$10,721 million—was an important factor in this decline.¹⁷ Under the

¹⁷ Estimated on the basis of *Hankook Ilbo*, December 31, 1980; *Japan, 1982. Yearbook*, Moscow, 1983, p. 320; *Quarterly Economic Review of Japan, South Korea*, 3rd Quarter 1981, p. 30.

circumstances Japan began to limit imports from a number of countries, including South Korea.

The rather speedy expansion of Sino-Japanese trade links was also a contributing factor to the decline in Japan-South Korea trade. The PRC is energetically ousting South Korea from the Japanese market with exports not only of oil, petroleum products and coal, but also textiles, tungsten, seafood, vegetables, fruits and other goods that are important South Korean export items. In 1981 China was second only to South Korea in textile exports to Japan. In 1982 the PRC pushed South Korea to second place in sales of tungsten and clothes on the Japanese market. Noting the PRC's energetic invasion of the Japanese textile market a Japanese magazine commented: "If it goes on like this, the question of [China's] taking the leading position from South Korea is only a matter of time".¹⁸

The decline in bilateral trade was also connected with the fact that South Korea was obliged to diversify its foreign trade in order to lessen its great dependence on the two main partners—Japan and the US. And lastly, to some extent, the decline reflected yet another cooling in Japanese-South Korean relations that can be traced back to the attitude of the Japanese public which was angered by the suppression of popular actions in South Korea and reprisals against Kim Dae Jung, an outstanding opposition figure.

Yet another decline (by 3.4 per cent) in trade between Japan and South Korea took place in 1982. It mainly stemmed from a serious shift in the direction of the South Korean economy's development resulting from Seoul's attempt to overcome the growing contradiction between an emphasis on exports and the requirements of further economic growth. With tougher conditions on foreign markets, the South has to take steps to produce import substitutes and set up production for domestic consumption. As a result, in 1982 South Korea's exports rose by a mere 1.8 per cent, the lowest rate since 1962, while imports fell by 6.9 per cent.¹⁹ Undoubtedly, the decline in bilateral trade was also affected by continuing friction between Japan and South Korea which Washington saw as an obstacle for its Far Eastern strategy. Washington once again had to interfere in Tokyo-Seoul relations and pushed Japan to further rapprochement with the South Korean regime.

After the head of the Japanese government's visit to South Korea, relations between the two countries warmed up; this had a favourable bearing on their trade. In 1983 trade between Japan and South Korea increased by 7.2 per cent and reached \$9.369 million.

Bilateral trade developed under the influence of Japan's growing export expansion in South Korea and the inadequate growth of supplies from South Korea. After the normalisation of relations, South Korea was flooded with Japanese products. In 1965-1979 Japan's exports to South Korea surged from \$167 million to \$6,247 million. True, 1975 saw a 7.2 per cent slump in Japanese export to the South, but this fact notwithstanding, the dynamics of Japan's exports to South Korea showed, on the whole, a steep curve of ascent.

As a result of Japan's large-scale trade expansion, South Korea became a major market for Japanese products. In some years—1970, 1973, 1974, 1978, 1979—South Korea took second place after the US as a market for Japanese companies. In 1970 South Korea accounted for 4.2 per cent of Japan's exports, in 1973-1974 for 4 and in 1978 and 1979 for 6.2 and 6.1 per cent, respectively.

¹⁸ *Chugoku kogyo tsujin*, 1984, No. 208 — I, p. 11.

¹⁹ *Korea Herald*, January 8, 1983.

As a result of the decline in Japanese exports to the South in 1980 and 1982, the importance of the South Korean market for Japan decreased relatively. Nevertheless South Korea remains a major market for Japanese companies. In 1983, when Japan's exports to South Korea amounted to \$6,004 million (considerably less than in 1979) the South Korean market held third place in importance for Japan.

Japanese companies enjoy practically a monopoly in exporting products of the ferrous metal industry, textile raw materials, metal-cutting lathes, complex plant equipment to South Korea. Thus, in 1976, Japan accounted for 98.6 per cent of all exports to South Korea of alloys and high-carbon steel, 85.9 per cent of textile synthetic raw material, 80 per cent of metal-cutting lathes, 75.3 per cent of thermoplastic resins. In 1980 Japan was the source of 65 per cent of ship machinery exported to South Korea.

Japan's exports to South Korea have expanded more slowly than total South Korean imports. Over 1965-1983 the total of South Korea's imports rose 54 times, while sales of Japanese products in South Korea increased only 36 times. This is due to Seoul's measures to diversify the geography of imports. Nonetheless these measures did not result in any substantial reduction of Seoul's dependence on imports from its former metropolitan state. Up through 1965 the US held the top position in South Korean imports, while from 1966—the first year of Japanese capital's active penetration into South Korea—the US for a long time ceded first place to Japan. In 1966-1977 Japan's share of South Korea's imports averaged 37.5 per cent, in 1981 24.4 per cent. In 1982-1983 the US again moved to first place in South Korean imports. In 1983 Japan accounted for 24.2 per cent of the South's import which indicates that Japan retained a rather strong position in the South Korean market.²⁰

Analysis of bilateral trade shows a substantial change in the structure of Japanese imports of South Korean goods. The processing industry's share of goods has considerably increased, reflecting South Korea's growing industrialization. In 1983 finished industrial products accounted for 61.9 per cent of Japan's imports from South Korea, in comparison with 28.2 per cent in 1968.

It is clear from this analysis that this index includes a large share of labour intensive production—textiles, clothes, plywood, footwear, railroad rolling stock, etc., as well as ecologically harmful production, such as chemical goods. This reflects Japanese imperialism's aspiration to use to the full South Korea's industrialisation in its own interests: it created in South Korea labour-intensive industries, and, in recent years, ecologically baneful ones as well, some of which are military-oriented. A good part of these industries production is imported by Japan or exported to other countries under South Korean trademarks. Such products are less vulnerable to non-tariff limitations than goods hailing directly from Japan.

South Korea has gained a leading position in the delivery of the abovementioned industries' products to the Japanese market. Thus, South Korea is a major exporter of ferrous metallurgy products to Japan. In 1983 South Korea had the largest share (34.3 per cent) of Japan's imports of ferrous metals, including 65.5 per cent of hot-rolled and cold-rolled sheet steel, 58 per cent of hot-rolled wide-strip steel, 50.8 per cent of sheet steel of medium and great thickness.

The structure of Japan's imports from South Korea features a large proportion of food, raw materials and fuel, items typical of the imports of colonial times and the first postwar years. In 1983 their share reached

²⁰ *Problems of Economic Development of the Countries of Asia and North Africa*, p. 205; *Kikai yushutsu*, 1984, Vol. 32, No. 4, p. 4; *Gekkan Chosen Shiryo*, 1979, Vol. 19, No. 2, pp. 56-58; 1980, Vol. 20, No. 2, p. 47; Japan, 1981. *An International Comparison*, Tokyo, 1981, p. 25; *Korea Herald*, February 1, 1984; *Zosen*, 1982, Vol. 27, No. 5, p. 46.

38.1 per cent²¹ and this indicates a certain continuity in the structure of trade between the two countries.

After the establishment of diplomatic relations, Japan has constantly had a favourable balance of trade with South Korea and this tendency has been fast on the increase. South Korea's trade deficit with Japan has snowballed along with the expansion of bilateral trade, noted *Korea Newsreview*.²² In 1965 South Korea's trade deficit with Japan equaled 123 million dollars, while in 1978 it reached 3,355 million dollars. From 1965 to 1983 Japan's exports to South Korea were, on the average, twice as great as South Korea's to Japan. As a result the cumulative imbalance of the South's trade with Japan reached \$26.7 billion from 1965 to 1983. The bulk of South Korea's trade deficit is due to the imbalance of trade with Japan. From 1965 to 1983 trade with Japan accounted, on the average, for 75 per cent of the entire adverse balance of South Korea's trade.²³

Such a situation in Japanese-South Korean trade is due to a number of factors. One of them is the South's heavy dependence on Japan in the import of basic heavy industry products needed for industrialisation. Japan is the main supplier of 12 out of 16 basic items imported by South Korea. This dependence appeared mainly as a result of energetic penetration into South Korea of Japanese capital which is well versed in local conditions and has close links with local business, as well as of active "aid" in export-oriented industrialization. The fact that South Korea itself relied on Japan in the acquisition of capital equipment, machinery, intermediary products and other commodities for industrial use (mindful of the sufficiently high quality of Japanese industrial goods and relatively low prices and transport costs) was also of no little importance. At the same time South Korea does not have enough natural resources to cover imports from Japan by exports of mineral raw materials and fuel.

Bilateral trade would be better balanced if Japan imported South Korean products inasmuch as South Korea could provide them. But instead of importing goods in amounts equivalent to exports or close to them, Japan, from the mid-1970s, has been putting various obstacles in the way of South Korean commodities. This is due to the fact that the South has turned into a serious rival on Japan's domestic market, causing certain losses for Japanese businessmen. Having reared its "junior partner" with profuse capital, Japan is now striving to curb its new rival who is trying to flood the Japanese market with cheap goods.

South Korea has repeatedly raised the question of levelling out the imbalance in bilateral trade, but it has not been able to do so. South Korea only managed to obtain an agreement to set up special committees—Japanese-South Korean and South Korean-Japanese—on questions of balancing and expanding bilateral trade. At the 6th session of these committees, held in 1979, the South Korean side demanded a serious approach to the question of evening trade ties and taking concrete steps towards this end. The Japanese side promised to cut down custom duties on 45 different kinds of South Korean commodities, but only on the condition that the status of Japanese enterprises in South Korea would be improved. Corresponding measures were taken by both sides. As a result the South's trade deficit with Japan was somewhat reduced in spite of a noticeable increase in Japanese exports to the South Korean market. However, the size of the deficit remained considerable and Seoul insistently asked Tokyo to organise a special mission to explore the possibility of increased purchases of South Korean goods right away.

Tokyo had to heed this request given the aggravation of Japanese-

²¹ *White Book on Foreign Trade*, Tokyo, 1984, pp. 275-276; Tekkokai, 1984, Vol. 34, No. 5, p. 29.

²² See *Korea Newsreview*, July 19, 1980, p. 18.

²³ See *Korea Herald*, March 18, 1984.

South Korean relations due to South Korea's adverse trade balance. The most representative delegations in the history of bilateral relations—consisting of 127 people and headed by M. Ueda, president of a major Japanese firm, Nissho Iwai—visited South Korea in July 1980. The main goals of the delegation were to get to know the state of the South Korean economy, to study the possibility of expanding Japanese imports of South Korean goods in the short term and leveling out the trade balance between the two countries in the long term. During this visit 510 commercial deals were struck to the tune of \$ 931 million and an agreement was reached on an establishing regular exhibitions of South Korean commodities in Japan. It was also decided to revitalise cooperation between the Association of Department Stores of Japan and South Korean enterprises. These agreements were aimed at boosting Japanese imports of South Korean products.²⁴

In 1980 South Korea's trade deficit with Japan went down to \$2,819 million, but it was due not so much to the realisation of the above-mentioned agreements, as to considerable cuts in Japanese exports to South Korea. In 1983 South Korea's trade deficit vis-à-vis Japan dropped to \$2,639 million which was contingent on moderate deliveries of Japanese commodities to the South Korean market after a cut-back in 1980, on the one hand, and a disproportionate increase in the flow of goods from the opposite direction, on the other.

In spite of the downward trend in South Korea's trade deficit, its trade imbalance with Japan will continue to exist for a long time. Helping to develop South Korea's export base to a certain extent, Japan will hardly admit South Korean commodities to its own market to the detriment of domestic industry. With Japan's strictly limited imports of South Korean products, mostly consumer goods at that, the South will be hard put to counter the opposite influx of Japanese products, consisting mainly of means of production, and achieve balanced mutual trade.

TECHNOLOGICAL EXPANSION

Japan's export of capital to South Korea is closely interconnected with trade in scientific and technological know-how. Japanese monopolies view this trade (along with export of capital and commodities) as a third way of taking over the South Korean economy.

Japanese monopolies began technology sales back in 1962 when South Korea embarked upon the road of export-oriented industrialisation. At that time Japan was hastily rehauling its own industry and therefore sought to deliver outdated know-how to South Korea. Japan began trade in this field rather hesitantly at first not only because of the absence of diplomatic relations with South Korea but also because its own scientific-technical potential was insufficiently developed.

After the establishment of diplomatic relations, however, Japan's technology exports to South Korea boomed with a vengeance. Over a short time Japanese business circles laid their hands on the lion's share of contracts on the introduction of new technology and corresponding know-how in the South's economy. In 1967 Japan delivered to the regime 69.9 per cent of all technological processes purchased by South Korea, while in 1970 the figure was 73.1 per cent. From 1962 to April 1984 Japanese monopolies concluded 1,556 deals on deliveries of technology and technique to South Korea, amounting to 56 per cent of all South Korean imports of new equipment and know-how. It can be noted that over the same period the USA accounted for 23.1 per cent of technological "aid" to the South.²⁵

²⁴ *Keidanren geppo*, 1980, Vol. 28, No. 10, p. 40.

²⁵ *The Economy of South Korea*, Tokyo, 1978, p. 403; *Korea Herald*, March 18, 1984.

Japan managed to win a leading place in selling know-how to South Korea mainly through the establishment of more "favourable" licensing conditions in comparison to other countries. That was not a sign of friendliness towards Seoul. It was dictated first and foremost by the necessity of expanding the investment potential of private capital and selling "yesterday's" know-how to a technology-hungry South.

Japan was selling equipment and know-how primarily to the enterprises it controlled. That is why a considerable part of new equipment and know-how delivered by Japan to South Korea is concentrated in engineering, radio-electronics, power engineering, oil processing, production of synthetic textiles, raw materials, pharmaceuticals and shipbuilding, which account for the lion's share of Japan's direct investment. As a result, already in 1978 South Korea was less than five years behind Japan in the technology of shipbuilding and branches of power engineering, while in the production of washing machines, refrigerators, lighting equipment, TV and radio sets, electric batteries was practically on a par with Japan.²⁶

Small and medium enterprises of South Korea tend to be especially dependent on Japanese capital; in 1980, 64 per cent of small business enterprises that received government financial aid for technical reconstruction bought technology in Japan.²⁷ Japanese small-commodity companies sold their relatively outdated technological processes and know-how and bought more advanced ones on the world market for themselves.

Structurally overhauling its own industry, Japan often supplies its "junior partner" with technology purchased from other industrially developed countries and slightly improved in Japan. Thus, the South serves as a market for Japanese outdated technology and know-how. As a result of Japan's technological expansion South Korea's economy is getting ever more dependent on Japan.

Japan's economic penetration of South Korea has led to the former colony's strong dependence on its former metropolitan state, to the binding of the South Korean economy to the Japanese, to the turning of the South into a major market for Japanese products and outdated technology. Politically, it has led to South Korea's deeper involvement in the Washington-Tokyo-Seoul aggressive military alliance. Actively following US strategy to set up an Asian equivalent of NATO, to unite the western and eastern flanks of the imperialist blocs, Japan is doing its utmost to activate the tripartite military alliance. Tokyo's policy ignores Japan's own security interests, steps up confrontation on the Korean Peninsula and in the whole Far Eastern region.

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²⁶ Toshio Watanabe, *Analysis of the Economy of South Korea. The Political Economy of Developing Countries and Modern Asia, Tokyo, Keiso cyobo*, 1983, p. 45.

²⁷ *Gekkan Chosen Siryo*, 1981, Vol. 21, No. 12, p. 53.

URGENT TASKS IN DEVELOPMENT OF CHINA'S ECONOMY

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[Article by S. V. Stepanov and V. Ya. Portyakov: "Urgent Problems in China's Economic Development"]

[Text] In the 35 years of its existence, the People's Republic of China has traversed a complex and contradictory path of development. Successful progress in the direction of building socialism in the first 10-year period was replaced by twice as long ascendancy of an opportunistic policy, crudely distorting the most important principles of socialism and resulting in serious deformations of its foundations, laid in the 1950's with the broad aid of the USSR and other socialist countries. Such "experiments" as the "Great Leap Forward" and the "Cultural Revolution" were particularly destructive for the Chinese economy as they, in the age of the scientific-technical revolution, not only retarded the country's development but also put in question the very socialist orientation of China.

A new stage in China's life began after Mao Zedong's death. The country's leadership on coming to power contributed serious correctives to internal policy. It tried to take into consideration the lessons of the past, although this was done contradictorily and inconsistently from nationalist positions, which is largely connected to the personal participation of many of the present leaders in implementation of the former policy.

Together with the recognition of the perniciousness of the voluntarist, purely administrative methods of rule predominating in the years following the "Great Leap Forward" and rightness of the whole policy of the time of the first five-year plan in China, attempts have been made in recent years to approach the development of the national economy from more rational positions, utilizing certain objective economic laws, commodity-money relationships and principles of material stimulation. The Chinese leadership criticized "pursuit of quick successes" and undertook to regulate the situation in the national economy, that is, weakening of the most acute disproportions and boosting the effectiveness of the economy.

A more sober approach to the development of the national economy together with a certain improvement of the general situation in China led to a marked revival of the country's economy. During 1981-1984, average annual growth of

industrial production was 9 percent, agricultural production--10.3 percent and national income--8.3 percent.¹ Gross industrial production of industry and agriculture in cost terms in 1983 exceeded the plan indicators that had to be reached by the end of the current five-year plan (in 1985). The five-year targets for a number of the most important types of production were fulfilled or overfulfilled.

The material position of the population improved. Average monthly wages of workers and employees grew from 63.5 yuan in 1980 to 80 yuan in 1984. The average per capita total income of peasants, as shown by selective surveys, grew from 15.9 to 29.5 yuan per month in the same period. The number of norm-regulated consumer goods was reduced.²

Let us try to make out what is behind these figures.

First of all, we shall underscore that economic growth in recent years has been ensured with a low initial level and the existence of considerable reserves of underutilized production capacities and possibilities of economic development. China even at the present time belongs to the economically underdeveloped countries of the world: in the size of per capital national income (about 230 dollars in 1983) China is not among the first hundred states of the world.

At the same time, in terms of aggregate economic potential, China occupies roughly eighth place in the world, that is, it has the possibility of accumulating significant reserves for purpose of development. In the 1950's, a relatively integrated economic system was created in China thanks to the cooperation of the USSR and other socialist countries, ensuring realization of the process of reproduction for the most part on its own basis.

Because of serious disproportions in the economy, aggravated in the 1960's and 1970's, lagging of agriculture and the fuel-raw materials and power complex, halting for two decades the process of modernization of equipment and diversion of considerable resources for military purposes, China still has production capacities that are being inadequately used. Solely because of a shortage of electric power, up to 30 percent of the equipment in machine building remains idle. Back in the beginning of the 1970's, capacities for smelting steel exceeded 30 million tons, while its production, for example, in 1977 amounted to 23.7 million tons and then in 1 year it was increased to 31.8 million tons; 30-40 million tons of petroleum (or 30-40 percent of production) were consumed in fuel without refining. For this reason, with normalization of the situation in the national economy, the Chinese economy contains significant internal reserves for growth with a certain redistribution of resources and without significant capital investment.

Large reserves could have been discovered only by means of organizational measures: introduction of elementary order in production, cessation of political campaigns, restoration of more or less normal planning and the like. This has been partly carried out in recent years.

It is also necessary to take into consideration against what background the revival of the Chinese economy has occurred in recent years. In the course of

the two preceding decades, the national economy of China developed quite unevenly and on the whole in an unsatisfactory fashion. Administrative methods of management predominated, economic stimuli were not in effect, the living standard was frozen and was dropping for a number of parameters. In agriculture, stagnation ruled. Taking into account the population's growth, it experienced a deep crisis. For this reason, the changes of recent years have been particularly visible.

The return to more rational methods of management, many of which were at one time borrowed from the USSR and had provided good results in China, does not mean the restoration of the system of management existing in the country in the '50s. The task is being set and corresponding practical steps are being taken for carrying out various reforms in the national economy.

In substantiation of their need, other arguments are being advanced in addition to completely natural references to changing conditions in China and the requirements of the scientific and technical revolution. On the one hand, recognizing on the whole the usefulness of employing Soviet experience, it is now being asserted in China that its "blind copying" was harmful as it did not fully correspond to China's conditions. On the other hand, emphasizing the special features of the country with manifest nationalist pretentiousness, the task has been set in Beijing as a cornerstone to build in China "socialism while taking into account the specific character of China," although Marxism-Leninism, as we well know, has always rejected any sort of model in the creation of a new society and has required consideration of local conditions.

In accordance with these prescriptions, diverse and often wide-scale experiments have been conducted in China during the current five-year plan and in a number of cases decisive changes have been implemented; mass introduction of the small-group contract in the countryside, restoration of the small-scale commodity individual sector, allowance of foreign capital in the country.

The most radical and far-reaching changes have occurred in agriculture. In several years, the Chinese countryside has changed from the customary large-brigade organization of production with a characteristically high level of formal collectivization of ownership, "equalization" in distribution and administrative-voluntarist management China has switched to small-group (chiefly family) contract with direct linkage of income to the results of operation. The managerial functions of the brigades frequently go to committees of rural inhabitants.

The direct material interest of the peasants has sharply increased their labor activity and intensity of work. Production results have turned out to be significant, especially in comparison with the preceding 20-year stagnation.

Grain yield has grown from 305 million tons in 1978 to 407 million tons in 1984,³ and that of cotton--from 2 to 6 million tons. Production marketability has grown (of grain--from 20 to 30 percent). Supply to the population and industry of agricultural products has improved.

Stress on the small-scale contract was determined in China as a long-term strategy in development of the agrarian sector. Since 1984, the period of securing land on the basis of a contract has increased from 3 to 15 or more years, the idea of which should result in stimulation of capital investment for raising its fertility. The creation of so-called "specialized" households engaged in the commodity production of certain types of products is encouraged in every possible way. At the present time, such households constitute 13 percent of all peasant households in China.⁴

At the same time, such a change in the Chinese countryside brings up a whole series of very serious problems which to a greater or lesser degree have already been displayed.

First of all, the demographic situation is becoming complex. With an absolute shortage of arable land (0.1 hectare per person), growth of labor productivity even with the existing low level of mechanization results in freeing considerable manpower resources from field work, formerly constituting a hidden agrarian overpopulation. Their movement to cities either now or in the future is out of the question, inasmuch as unemployment persists in the cities, while expansion of production at best would apply only to young people who in the next 10-year period will attain working age.

It has been possible so far to employ extra workers in related sectors of the rural economy. Specifically, tiny village industrial enterprises provide work for about 30 million persons. But in the opinion of Chinese specialists, it will be possible to release from field work in the future not only tens but even hundreds of millions of former peasants. Corresponding expansion on a gigantic scale of related sectors and services may turn out to be difficult to carry out because of a shortage of raw materials and simply economically inexpedient. The demographic factor is capable of turning into the chief hindrance of development of the contract system.

The surplus of workers leaves a mark as it is on the slow process of mechanization of agriculture without which, as Chinese economists acknowledge, a cardinal solution of agrarian problems would be impossible. In a number of cases, mechanization has turned out to be inadventagous from the economic and social points of view. The experience of recent years has shown that demand among peasants is essentially growing for simple tools and small-size equipment. Thus production of "manual" tractors grew from 218,000 each in 1980 to 493,000 each in 1983 and has largely exceeded the initial plans for 1985 (280,000). At the same time, production of large and medium-size tractors in these years was reduced from 98,000 to 37,000. The drop in demand for them is connected with the fact that it is difficult for an individual family to round up the necessary amount of money for the purchase.

Under the contract system, property differentiation is growing among peasants. At the present time, temporary hiring of manpower has been legalized, although it is not widespread so far. Within the framework of encouraging the creation of "specialized" households, transfer is now permitted of contract land on a compensatory basis (its sale is forbidden). That is, concentration of land is possible in families specializing in grain production, which serves as a

material basis of enrichment. Peasants are also permitted to invest funds in agricultural fixed capital (roads, buildings, small hydroelectric stations), receiving in consequence a corresponding income. The attainment of prosperity is officially permitted at the outset for a portion of the peasants.

Accumulation of funds requires time. And while up to now, property stratification has not reached threatening proportions in the Chinese countryside, the situation could change in several years. Educated in the ideals of wage leveling, peasants react extremely keenly to any manifestations of inequality. The already noted cases of spontaneous "dispossession of kulaks" of several of the more prosperous peasants could turn out to be precursors of future acute social collisions.

Decisions of the Central Committee of the Chinese Communist Party adopted in the last two years open up a rather broad expanse for personal enterprise in the Chinese village, which, beside possibilities of enrichment, contains the threat of growth of private-enterprise inclinations and spread of petty-bourgeois ideology. This would primarily be abetted by the individual character of operation in the small-group contract. In addition, there recently has been noted rapid expansion of the individual sector among peasants, who have unequivocally left the sphere of public production. Thus, in November, the country already had 6.1 million individual farms, employing 8.4 million persons.⁵ This in the final analysis could lead to serious social and political consequences.

Active transformations in agriculture and the obtained economic effect despite indicated costs have reinforced the readiness of the Chinese leadership to carry out a reform of the economy of cities.

Broad carrying out of the reform in the city economy is planned for the next five-year period. An important step in this direction was the decisions of the 3rd Plenum of the Central Committee of the Chinese Communist Party of the 12th Convocation (October 1984).

As emphasized in China, the planned reform is of a universal character and its chief objectives are dynamization of the economic system, bringing it up to the requirements of the scientific and technical revolution and "socialism, with account being taken of the specific character of China."

Many such ideas were expressed earlier in China. They have directly something in common with plans of reform at the end of the '50s and the middle of the '60s. Back in October 1957, proposals of Chen Yun were approved at the 3rd Expanded Plenum of the Eighth Convocation on reform of the system of management of industry, trade and finances, which provided for the transfer of a significant portion of enterprises to local operation and expansion of the rights of local organs and enterprises in planning, material and technical supply and financing. This attempt to carry out the reform was foiled by the start in the following year of the "great leap forward" and the following attempt--of the "cultural revolution."

The central direction of the present reform has been declared to be all-out development of "planned commodity economy" on the basis of public ownership of

the means of production.⁶ In the opinion of Chinese theoreticians, this course corresponds to the specific conditions of the contemporary period of China's development, which is in the "initial stage of building socialism." It is meant to provide rational division of public labor, the breakup of the semisubsistence economy and regional isolation, accumulation of funds for economic construction and a combination of state control, guaranteeing priority of public interests, and flexible functioning on the microlevel through increased activity of local economic units.

The basic principles of the economic reform in China are:

- permission of division of the right of property and the right of management, diversity of concrete forms of operation of state and cooperative enterprises with general introduction of different contract forms and responsibility for economic activity and orientation on paying for themselves for as large a proportion of enterprises as possible;

- release of administrative organs from operative management of enterprises, concentration of efforts of central economic organs on working out strategy, plans and priorities of economic construction and the like;

- expansion of independence of enterprises in matters of planning, production and product sales, price formation, creation and utilization of own funds, wages and awarding of bonuses;

- curtailment of issuing directives in favor of guiding (recommended) planning;

- bolstering the role of economic levers (prices, taxes, credits) in operation of the national economy;

- increasing the influence of market demand on production activity of enterprises, especially small ones, and a certain encouragement of competition of local economic organizations for the purpose of improving product quality;

- reduction of intermediate units and expansion of the number of channels of commodity circulation;

- increasing the role of cities as "natural" economic centers in opposition to traditional bureaucratic and regional control (on the basis of administrative regions).

The above-mentioned principles of the reform are gradually being translated into the "language" of legislative acts and normative statutes, although the main work is still ahead. In 1984 in particular the Chinese State Soviet approved Temporary Statutes on Further Expansion of Enterprises' Independence,⁷ on Reform of Construction and the System of Management of Capital Construction,⁸ the report of the Ministry of Foreign Economic Relations and Trade on reform of the system of management of foreign trade⁹ and temporary directives worked out by the State Planning Commission on improving the planning system.¹⁰

Replacement of deductions of profit going into the budget with taxes is already being carried out. It is intended to ensure stable growth of financial resources coming under the disposition of the state and at the same time to stimulate improvement of operational work at enterprises. Taxes were introduced everywhere as of 1 October 1984. Twenty-one kinds of taxes were introduced: 4 on turnover, 6 on income, 6 local, 2 types of rent payments (for resources, land) and 3 special-purpose taxes (on bonuses, construction and on consumption of petroleum). In 1983 enterprises already transferred to the new system received for their disposal 17.9 percent of all obtained profits versus 15.7 percent in 1982.¹¹ Fifty percent of growth of profit remaining at an enterprise must be put into the fund of production development, 20 percent into the fund of public well-being and 30 percent into the bonus fund.¹² Control over observance of state laws in the field of finances and taxation was turned over to the PRC Auditing Commission in June 1984.

It is anticipated that there will be a reduction in the number of types of products subject to central distribution from 256 to 65¹³ and in the sphere of directive planning as well as abolition of central purchases and sale of agricultural products.¹⁴ Different forms of contract responsibility for fulfillment of plans are being introduced. In place of the former system of wholesale trade, it is planned to create trade centers for supplying enterprises with the means of production independently of their departmental affiliation.

In construction, a general transition is being carried out to the contract in the building and assimilation of projected capacities with wide-scale utilization of tenders and competitions for the planning and construction of facilities. As of 1985, all capital construction is being transferred to bank credit extension in place of financing (in recent years, this method was approved for 800 state-budget construction projects).

Overcoming of giving priority to local interests and of departmental barriers ideally should promote the experiment started in the cities of Chongqing (Sinyan Province), Shashi (Hubei Province), Changzhou (Jiangsu Province), which has spread since 1984 to a number of other cities (including Wuhan, Dalan, Nankin, Chandu, Guangzhou). Its idea is that practically all enterprises concentrated in a city, which serves as a single object of planning, are turned over to it for management.

An important element of the reform has been encouragement in recent years of development of the cooperative and individual sectors. The first also was formerly quite impressive--it employed approximately one-quarter of all workers and employees. Today this sector is expanding at an accelerated rate: its share in industrial production was 19.7 percent in 1976 and grew to 22 percent in 1983.¹⁵

But the organizational restructuring of the cooperative sector is more important. Formerly it was an appendage of the state sector and was operated on corresponding principles. Today it is being shifted to operation based on "self-management," that is, to complete responsibility for profit and loss, although state organs are not abandoning cooperative enterprises to the

vicissitudes of fate but providing them with some sort of assistance. Oriented primarily on production of consumer goods and services, the cooperative sector, on being put on its new track, has played in recent years an important role in reviving the market and satisfying the needs of China's population. At the present time, a portion of the small state enterprises engaged in trade and the service sphere are being shifted to the position of cooperative enterprises.

Of similar though lesser importance was the expansion of the individual sector. The number of private traders in cities grew from 150,000 in 1978 to 2.96 million by the end of 1984.¹⁶ So far individual "enterprises" have been developing almost exclusively on a family basis, although the law has been expanded to allow 2 "assistants" and 5 "apprentices." An "enterprise" employs an average of 1.25 persons. Concentrated basically in the service sphere, the individual sector plays an appreciable role solely in retail trade (approximately 9.8 percent of trade turnover in 1984)¹⁷ and public dining (16.6 percent of turnover in 1982). Its share in industrial production amounts to only 0.1 percent of gross production.

We might point out that the cooperative and individual sectors weaken to a certain extent the load on the state in its struggle with unemployment and creation of new job slots. In 1983, for example, of a total growth of 3.18 million, 1.77 million, or 56 percent, of the employed belonged to cooperative and individual sectors.

In analysis of the prospects of the reform, it is impossible to ignore the following considerations. The sufficiently large-scale experiments conducted in China in recent years have forced it to refrain from many initial plans and have provided far from the same kinds of results.

Expansion of the rights of local units of management, while stimulating local initiative, has resulted in "pilfering" of funds and reduction of receipts into the state budget. A significant budget deficit was formed (in 1979-1983 in the amount of 39.6 billion yuan) which is not expected to be completely eliminated in China till the end of the current five-year plan. No success is being achieved in narrowing the front of capital construction; "holding back" the growth of central investments reduces to zero increase of capital investment from local sources. In 1982 in particular, investment in fixed capital grew by 26 percent, exceeding growth of the national income (7.4 percent) and in 1982, despite the adopted limiting measures, capital investment increased by another 12.6 percent, which again exceeded growth of national income (9 percent).¹⁸

Under these conditions, the effectiveness of capital construction inevitably was low. On the admission of the Chinese press, in 1979-1982, 31 percent of investment "did not prove to be effective."¹⁹

Weakening of central control over prices and permitting on a limited scale the establishment of "contract" prices have been responsible for their general rise. Thus retail prices in 1983 were on the average 14.5 percent higher than in 1978.²⁰ In 1983 alone, prices for fresh vegetables grew 12.7 percent, for products of the water industry--by 13.4 percent and for fruit--by 14.7

percent.²¹ Prices are also rising for very important production materials. Taking into consideration the continuing growth of the amount of money in circulation, the obvious signs of inflation processes are thus clear.

In China, tasks still have by far not been completed in regard to regulation of the economy. The relatively low planning rates of growth were aimed at ameliorating existing disproportions and raising production efficiency. Deviation from plan in this sense is undesirable and hampers the "regulation."

The process of raising the income of workers and employees is poorly controlled. Thus in 1979-1982, growth of the total wage fund outstripped by 1.5-fold national-income growth, while growth of the average wage of workers and employees was double the growth of labor productivity at state enterprises.²²

The measures are still being implemented within the scope of preparation for wide-scale economic reform have so far provided hardly any result in the solution of the problem of raising efficiency basic to the economy. China's Finance Minister Wang Bingqian cited eloquent facts: production cost in 1983 dropped 0.2 percent versus 2 percent under the plan; although losses of industrial enterprises were somewhat reduced, they amount to 2.8 billion yuan, 16 percent of the enterprises remain unprofitable. Whereas in 1978 state financial subsidies as a whole amounted to 13 percent of the total state's financial income, in 1982 this indicator increased to 38 percent.²³

There can be no question of the need of carrying out a reform of the economic mechanism in China: management methods employed in China for a long time have led the country's national economy into a cul-de-sac. The economic reform is being conducted, but it is still too early to say how effectively it can resolve the acute problems of the Chinese economy. The practical embodiment of the reform in different spheres of the economy could bring with it undesirable, unforeseen consequences. It is no accident that speeches of the country's economic leaders at the 3rd Session of the PRC All-Chinese Meeting of People's Representatives of the Six Convocation (March 1985) pointed out with alarm the "lag of management and of control of the development of the situation." The accomplishment of certain plans is doubtful. For example, the Decree of the Central Committee of the Chinese Communist Party on the Reform of the Economic System provides for a gradual rise in the prices of certain varieties of raw materials without raising the prices of finished products and increasing purchase prices for many agricultural products without raising the general level of corresponding retail prices, although in practice prices are markedly growing.

Separate mention should be made of the cadre problem. And here it is not just a shortage of qualified specialists. The reform calls for reorganization in the operation of managers and the party apparatus. It makes completely new demands on these personnel for which many of them are obviously not ready. The unwillingness of local cadres to undertake new and troublesome work is already being felt. This could turn out to be one of the most serious hindrances in the way of the reform.

Emerging nationalist, China-centrist motives cannot but help put one on guard when at an early stage of the reform any of its elements are declared to be an original invention, while "socialism taking into account Chinese specific conditions" is pitted against the experience of other countries as an example of "viability." Claims are advanced to the "development of Marxism under present-day conditions" and the need is declared of rejecting "pedantic following of the concrete generalizations of Marx and Engels."²⁴

Revision of foreign economic policy is inseparable from reorganization of the Chinese economy. Rejecting the autarkic explanation of the conception of "reliance on one's own resources," the Chinese leadership has proclaimed an "open-door" policy. It provides for activation of foreign economic relations, which are now considered as an important factor of economic development that is indispensable under the conditions of the scientific and technical revolution.

Here it is necessary to emphasize an important consideration. In the words of member of the PRC State Soviet Bo Ibo, "the open door policy" is conducted in regard to the Western capitalist world (United States, Western Europe, Japan) and is of interest to China "inasmuch as we can receive technology and capital from these regions."²⁵ That is, the Chinese leadership continues to primarily orient its foreign economic relations to capitalist countries, although China's trade with the socialist countries, including with the USSR, has markedly expanded in recent years. In 1983, 55 percent of China's foreign trade turnover was with the developed capitalist countries and only 6 percent with CEMA countries.

The active foreign economic policy was first of all expressed in a significant expansion of foreign-trade volume, which in the last 10 years has grown tenfold and now exceeds 50 billion dollars.

Simultaneously with the end of the '70s, China began to practice various forms of economic cooperation primarily again with the Western countries. The time has disappeared into the past when China refused to use foreign loan capital and emphasized in the press with pride that the PRC was about the only country in the world that had no foreign debts. True, we note that China conducts a rather cautious credit policy: possessing agreements back in 1979 on use of credit in an amount of more than 30 billion dollars, by the end of 1983, the country had actually utilized about 12 billion dollars.²⁶ Its foreign debt at the present time remains at a level of 4 billion dollars with more than 14 billion dollars of foreign exchange reserves.²⁷

In China, increasingly greater emphasis is placed not on use of credit but on direct foreign investment. During 1979 through the first half of 1984, it reached 8 billion dollars (according to agreements) in the form of investments in mixed enterprises and cooperative and compensatory agreements and plans of offshore petroleum development (of which 3.3 billion dollars has already been used).²⁸

Great hopes have been placed on the creation of mixed enterprises as a means of using foreign capital, advanced technology and managerial experience. But

they achieved limited development until recently: by the beginning of 1984 there were 188 mixed enterprises in the country in which about 200 million dollars of foreign capital was invested. With expansion of the rights of a number of provinces and cities in the field of foreign economic activity, the process has been significantly activated: in 1984, the creation of more than 700 "mixed" enterprises was sanctioned.²⁹

In order to provide more favorable conditions for the operation of foreign capital, China has embarked on a policy of creating "special economic zones" (Shenzhen, Zhuhai, Shantou, Xiaen) which are kept separate from backward China and are characterized by preferential conditions for foreign entrepreneurs, especially if they are engaged in the production of export products. By the end of 1982 something like 1.8 billion dollars was already invested (on the basis of agreements) in the most developed and advantageously located "zone" of Shenzhen (on the border with Hong Kong).³⁰

Zones are being created in Shanghai and on the entire island of Hainan. In the spring of 1984, special powers were declared to be granted to 14 large maritime cities in drawing of foreign capital and in the spring of 1985, "opening" was declared for the external world of the delta regions of the Yangzi and Zhujiang rivers and parts of the coast of Fujian Province. An entire maritime belt should be formed which will be "open" for relations with the West.

The "open-door" policy is of a marked pragmatic character. The Chinese leadership is ready to make ideological concessions for the sake of getting an economic effect. But whereas the creation of isolated economic zones would seem as something ostensibly not every dangerous, the present plans of "opening up" of an economically highly developed maritime area are fraught with massed incursion in China of foreign capital and economic methods inherent in it. We refer not only to the economic but also to the serious political influence of the West with consequences that are difficult to predict.

As can be seen, serious changes are taking place in the Chinese economy and a large scale reorganization is taking place. At the present time, of course, it is too early to make definitive conclusions. Complex processes possess a contradictory character and yield ambiguous results. Many large problems remain, and new ones appear. It is becoming increasingly more clear that present changes in the PRC national economy over the long term could have not only marked economic but also important social and political consequences.

FOOTNOTES

1. Calculation based on data of PRC statistics. A part of the production of rural industry is included in the gross agricultural production.
2. Reports of PRC Main Statistical Administration for pertinent years.
3. Taking into consideration sweet and ordinary potatoes recalculated as grain in a ratio of 5:1.

4. See HONGJI, No 20, 1984.
5. ZHONGGUO PUNMINBAO. Beijing, 13 Nov 1984.
6. GUANGMING RIBAO, 8 Nov 1984.
7. See: RENMIN RIBAO, 12 May 1984.
8. See ibidem, 3 Oct 1984.
9. See ibidem, 20 Sep 1984.
10. See ibidem, 10 Oct 1984.
11. See: JINGJI YANJIU, No 9, 1984, p 18.
12. See: RENMIN RIBAO, 22 Sep 1984.
13. See: SHIJIE JINGJI DAOBAO, 27 Aug 1984.
14. This sphere will include the main kinds of industrial raw materials, fuel, equipment, paper, cigarettes, products for military use, railroad hauls of basic material resources, freight turnover of the most important ports, investments in fixed capital, imports and exports of the most important types of products and so on.
15. See: SHIJIE JINGJIN DAOBAO, 25 Jun 1984.
16. See: GUANGMING RIBAO, 10 Mar 1985. For purposes of comparison: in 1952 China had 8.8 million private traders, in 1957--1 million (Zhunguo Tongji Nianzan 1981. Beijing, 1982, p 105).
17. Together with the sale of agricultural products at city "collective" markets--149 percent. Calculation based on: Zhunguo Tongji Zhaiyao 1984. Beijing, 1984, p 78; GUANGMING RIBAO, 10 Mar 1985.
18. See: JINGJI YANJIU, No 9, 1984, p 42.
19. HONGJI, No 16, 1983, p 13.
20. See: JINGJI YANJIU, No 9, 1984, p 43.
21. See: Report of PRC Main Statistical Administration for 1983.
22. See: JINGJI YANJIU, No 9, 1984, p 44.
23. Ibidem, p 42.
24. BEIJING SHIYHAN XUEBAO, No 4, 1983, p 15.
25. SHIJIE JINGJIN DAOBAO, 20 Aug 1984.

26. GUOJI MAOYI, 1984, No 5.
27. CHINA DAILY, 4 April 1984.
28. JINGJI YANJIU, No 4, 1984, p 36.
29. Ibid., No 11, 1984, p 36.
30. CHINA DAILY, 13 April 1984. Actually, 580 million dollars used by the end of 1984--RENMIN RIBAO, 18 January 1985.

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NEW TENDENCIES IN THE CHINESE CREDIT AND BANKING SYSTEM

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At different stages of the 35-year-long existence of the People's Republic of China, considerable changes have been made in the organisation of its banks, crediting and the role of banks in the Chinese economy. China built its new banking and credit system using the experience gathered by the other socialist countries, primarily by the Soviet Union, and wanted it to be a powerful lever in creating a new social system. The banking and credit system was a means of redistributing material resources and ensured the speedy rehabilitation and further development of the economy, the growth of productive forces and the strengthening of the country's economic independence.

The foundations of this system were first laid down in the liberated areas of China, that is to say, before the people's revolution triumphed throughout the country. During the rehabilitation period, the socialist transformation of the old banks was, in the main, completed and the new banking and credit system was largely developed after the country moved on to planned economic development.

The first five-year period (1953-1957) saw the impressive growth of the network of the main banking and credit institutions—the People's Bank of China (PBOC), which expanded its activities and raised the level of the functions it performed. Specialised banking institutions were also formed, among them the People's Construction Bank of China (Construction Bank) and the Agricultural Bank of China (Agrobank); credit cooperatives were widely developed in the countryside. Furthermore mixed state-private institutions also operated during this period; they included the Bank of China (BOC), the Bank of Communications and the united Mixed Bank established when former private banks were united and reorganised. In general, the role of banks and credit in the national economy grew during this period, some banks became further specialised, their functions redistributed among them in this connection, and the activity of mixed banks was reorganised.

During the "great leap forward" period the banking and credit system underwent a tangible change both in structure and the functions of individual banks. The Bank of Communications ceased to exist, while the Mixed Bank merged with the People's Bank. The function of financing capital construction was transferred to finance departments of the local people's committees and, as a result, the Construction Bank was closed. Somewhat earlier, the same thing happened to the Agrobank. The appearance of people's communes led to the abolition of credit cooperatives in the countryside as an independent way of organising peasants. In general the "great leap forward" period was characterised by a much too simplistic approach to many banking and credit problems.

The "readjustment" of the national economy (1961-1965) undertaken after the "great leap forward", restored, in part, the People's Bank of China's former methods and forms of operation. But in the subsequent

period through the early 1980s its role was limited, it had little decision-making power, and, in fact, supervised the funds distribution system. During that period the importance of money, credit and interest was denied, and this considerably weakened the position of the banking and credit system in the Chinese economy. This situation was aggravated largely as a result of the People's Bank's loss of its organisational independence: in 1970, together with its ramified network, it was absorbed in the Finance Ministry's system. It had to perform its credit and controlling functions through local financial agencies during that period.¹

In the late 1970s the People's Bank regained its organisational independence and, as before, was made directly responsible to the PRC State Council.

The changes of the banking and credit system have been a trend in the reorganisation of the economic mechanism underway since the late 1970s. Those changes have included both an increase in the number of banks and the expansion and raising the level of the functions they perform. As a result, their impact on national economic processes has grown considerably. It should be noted that the role and place of any given bank in a country's economic life are demonstrated through its functions.

Let's consider the present-day organisation of the PRC's banking and credit system in connection with the changes of the past few years.

As in previous periods, the People's Bank of China, through January 1984, acted as a key banking and credit institution with diverse economic functions. It held a leading position in the banking system, acting above all as the country's monetary, credit, accounting and cash centre.

As a monetary centre, the PBOC issued currency and regulated circulation, kept the bank accounts of state and cooperative property enterprises, state agencies, units of the People's Liberation Army and the Chinese Finance Ministry, and attracted population's savings deposits.

As a credit centre, the PBOC advanced short-term loans for economic projects. Changes in the strategy and methods of economic development with a shift to the economic "readjustment" policy were accompanied by the revival and further strengthening of financial incentives and spread to all the sectors of the economy; the PBOC expanded credit contacts with state enterprises as a result of the transition to intermediate and long-term credit; these contacts spread to collective and private property enterprises, the role of interest and credit control over the enterprises was enhanced, and so on.

Already in the early 1950s all transactions among enterprises were handled through the bank. As an accounting centre, the PBOC was involved in payments between state and cooperative enterprises, exercised control over their bank accounts and ensured their planned work. The enterprises were catered to by local PBOC branches, which, in fact, kept them under daily control, one of its key aspects being fund transfers among enterprises.

Beginning in the mid-1950s, the PBOC performed the functions of a state treasury, that is to say, it was responsible for the cash handling of the budget, ensuring the accumulation of financial resources which form state revenues, their storage and utilisation in keeping with the endorsed appropriations. The PBOC has also been responsible for balancing the accounts of its provincial branches by redistributing among them surplus funds and their transfer to the Main Office, as well as for regulating the state debt.

Apart from the aforementioned functions, the PBOC, as a central bank, had the right to elaborate for the country the policy, guiding prin-

¹ See *The People's Republic of China in 1978. Politics, Economics and Ideology*. Moscow, 1980, p. 161 (in Russian).

ciples, regulations and instructions in the field of currency circulation and credit, to trade in gold and silver, to control the wages bill and to fix the rate of exchange of the yuan with respect to other currencies. In 1980, it was also granted the right to control the activities of specialised banks, even though, from the administrative point of view, these banks were subordinate to the State Council. As specialised banks resumed and expanded their activities they took over some of the PBOC's functions.

In September 1983, the State Council passed a resolution reorganising the People's Bank of China. In keeping with that resolution, as of January 1, 1984, the network of PBOC branches all over the country were reorganised into the new Industrial and Commercial Bank of China (ICBOC) and as of late January 1984 the rights of the PBOC Main Office have been expanded considerably. The People's Bank was officially transformed into the central bank of China.

As such, it has the following functions: the consideration and formulation of principles and political guidelines, directives and instructions on problems of currency circulation and credit on a nationwide scale and ensuring their implementation after the State Council's endorsement; currency issuance and control over currency circulation; enforcement of uniform interest rates on credit operations and deposits both in yuan and in foreign currency; drafting state credit plans and control over the utilisation of credit resources; control over foreign currency, gold and silver belonging to the state, as well as gold and foreign exchange reserves; acting as the state treasury; consideration and endorsement of decisions to organise, merge or close credit and monetary institutions; the coordination and supervision of the activity of all the credit and monetary institutions and the handling of operations on behalf of the PRC government in international foreign exchange and financial institutions.

Thanks to its new status, the PBOC is expected to help eliminate the excessive decentralisation of credit resources caused by the expanding activity of specialised banks. For this purpose it is supposed to assume control over 40-50 per cent of the country's total credit resources. Ceilings have been imposed on the resources that specialised banks can have at their disposal as working capital; the rest of these resources have been deposited into accounts at the People's Bank. The latter regulates the corresponding balance of the distribution of resources in order to exercise control over the money in circulation and credit operations. In this way the PBOC now has no direct credit and accounting relations with individual enterprises or people, but settles money circulation and credit problems at the state level.

The Industrial and Commercial Bank of China, set up in January 1984, is supposed to handle the monetary resources that industrial and trading enterprises have on deposit in the bank, advance loans to these enterprises so that they may rebuild their current assets and carry out technical changes, settle accounts among enterprises, and to handle savings accounts for the urban population. As is seen, the ICBOC has assumed the former functions of the PBOC as a credit and accounting centre as well as functions of exercising financial control over state and cooperative industry and commerce and has become a specialised bank catering to these economic sectors. The country has 360,000 industrial and 150,000 commercial enterprises with an independent budget; these enterprises receive 60 per cent of the current assets they need as bank credit.² The new specialised bank is expected to be more efficient in servicing these enterprises than the People's Bank was in the past. The current policy of expanding the enterprises' economic independence and making them responsible for

² See *The China Quarterly*, 1982, No. 91, p. 465.

their own profits and losses binds the ICBOC with commitments to adhere to strict economic criteria in advancing loans.

The People's Construction Bank of China (Construction Bank), which was officially reinstated in 1979, is now operating as an instrument for the "readjustment" of the economy. It specialises in financing capital construction from the state budget and advancing loans for capital construction. In November 1979 the bank was placed under the direct supervision of the State Council, but, at the same time, it remained under the jurisdiction of the Ministry of Finance vis-à-vis its current operation and, in part, of the State Committee for Capital Construction, which endorsed plans for the bank's financing of construction projects.

In keeping with the "Provisional Rules of Advancing Loans for Capital Construction Projects" adopted by the State Council in August 1979, the bank's credit operations were further extended in a departure from the previous practice of the non-repayable budget financing of capital construction. This expansion is supposed to raise the level of control of capital construction through finances and maximising return on investment. Under these rules loans may be made only when a special contract is signed between the bank and the borrower and when there is a well thought-out plan and cost analysis of the project. Loans are given only to those enterprises that have a budget of their own; this means that state-run projects cannot obtain credit until they become independent and assume complete responsibility for the results of their financial operations to be able to repay the money borrowed.

The bank can resort to financial sanctions against the borrower, namely, if the loan is not repaid in time the interest on arrears is doubled and if the loan is not used for the given purpose the interest is trebled. The bank has the right to control the borrower's economic activity and the use of the loan and the borrower, in turn, has to put the corresponding financial documents and statistical data at the bank's disposal. If it should be discovered that the borrower used the loan for some unstipulated purpose, the bank should warn the borrower and demand that violations be eliminated in a fixed period; it can also suspend credit in case of need and inform higher bodies of violations.

All this demonstrates that the functions of the Construction Bank have considerably changed and expanded, that relations between banks and borrowers have also changed, and that new economic methods have been introduced to manage capital construction. In the early 1980s the bank's activity was characterised by a markedly growing number of loans granted to different economic sectors and the corresponding curtailment of non-repayable budget financing; this helped save state resources and improve economic performance while limiting the inflated field of capital construction in the interests of "readjustment" of the national economy.

In February 1979, the Agricultural Bank of China resumed its operations on the State Council's decision. It currently acts as a specialised bank catering to rural areas and is directly subordinate to the State Council. Its key tasks are to command the state budget resources intended for financing agriculture, to grant loans in rural areas to supervise rural cooperative credit societies and develop banking in the countryside "in the interests of modernising farming". The bank's functions also include developing savings institutions in the countryside, training accountants for people's communes, strengthening control over finances in the countryside which accounts for up to 60 per cent of the money in circulation.

Under the bank's supervision credit cooperatives were reestablished as an independent form of the peasant association. As collective financing and credit organisations, they perform the functions of the Agrobank's grassroot bodies. They handle cash accounts, grant loans to enterprises under the jurisdiction of county and rural bodies, take measures to de-

velop savings institutions, grant loans to peasant homesteads and perform other currency circulation operations in the countryside.

By late 1980, when the entire structure of the Agrobank was restored, the country's rural areas had 27,200 banking institutions and 59,000 credit cooperatives³. Since then bank managers have held a number of all-China conferences and meetings to exchange experience and raise the level of services for farmers. Discussions centred, among other things, on the problems of attracting capital for loans, more efficient use of credit, stimulating farm commodity production with the help of banking methods (proposed as the guiding principle for banking operations in the countryside in general), expanding credit and achieving greater flexibility in the work of the bank and credit cooperatives during the reform of the banking system, and so on.

According to the Chinese press, the activity of the Agrobank in the recent past has been characterised by a considerable growth of both attracted capital (money on the accounts of economic organisations and the population's savings deposits) and money granted as loans, as well as a growing share of credits for commodity production.⁴

These were the descriptions of the modern organisation, functions and major features of the activity of the PBOC and Chinese specialised banking institutions catering to various economic sectors inside the country. At the same time, changes in the system of foreign economic contacts caused by the transition to the "open door" policy have, in fact, noticeably affected all the elements of the economic mechanism, including banking. This became manifest in the development of the old banking functions and the emergence of new ones connected with the state's foreign economic activity and in the establishment of new banking and credit institutions.

Ever since the inception of the People's Republic of China, international transactions and currency operations have been the speciality of the Bank of China, a mixed enterprise responsible to the PBOC. In order to expand foreign economic ties; the Bank of China's position changed and its organisational structure and activity were transformed to enhance its influence upon foreign economic processes.

To begin with, in 1979, the Bank of China was made directly responsible to the State Council, which indicated a higher position in the bureaucratic hierarchy and greater responsibility. Furthermore, in September 1980, the State Council endorsed the Bank's revised rules in accordance with which the Bank of China was declared a state enterprise. The Bank's authorised fund grew from 400 million to 1,000 million yuan, that is, by 150 per cent, and its functions expanded considerably. According to the new rules, the Bank is supposed to "attract, use, accumulate and control foreign capital, to perform hard currency transactions and take part in international financial activities to assist in the modernisation of the building of socialism in China."

The Bank is supposed to carry out international clearing, foreign commercial and non-commercial transactions, savings and credit operations with international banks, foreign transfers, savings, credit and other operations in hard currency as well as international transactions in gold, the organisation of or participation in international consortium loans, capital investment or participation in transactions of banks, financial corporations and other enterprises in Xianggang (Hongkong), Aomen (Macao) and abroad. The new Statute have also granted the Bank the right to issue hard currency bonds and other convertible securities. The Bank takes

³ See *The Economic Yearbook of China*, 1981, Peking, 1981, pp. IV-161 (in Chinese).

⁴ *Ibid.*, pp. IV-162.

part in international conferences on financial problems and engages in other activities on instructions from the state.⁵

The Bank of China therefore exercises the functions of the central China's bank in international financial and credit operations. While its operations at home are limited to dealing in foreign currency, it has far broader functions in its work with foreign capital: where it has affiliates in local markets, it extends banking services to wholesale and retail traders and industrialists and conducts foreign-trade financial operations: in addition, it deals in letters of credit, traveller's checks and money remittances.

The rapid growth of China's foreign economic contacts entailed the expansion of the network of the Bank's affiliates both at home and abroad. The Bank's main office is in Peking. By the end of 1983 the Bank had 190 offices in China and 275 offices abroad, mostly in Xianggang and Aomen, as well as in Singapore, London, Luxemburg, New York and other international financial centres; it also has missions in Tokyo and Paris. The BOC maintains correspondence relations with 3,150 banks and their affiliates in 149 countries. In 1983 the BOC extended credits to mixed ventures (with participation of Chinese and foreign capital) in China to the value of 130 million yuan and \$50 million.⁶

The Main Currency Control Administration, a special agency set up by the State Council in March 1979 to control operations with foreign currency, operates under the supervision of the BOC. The Administration simultaneously reports to the PBOC and directly to the State Council.

In late 1980 the Administration worked out new rules for currency control. It is responsible for formulating policy on controlling foreign currency operations, for drawing up and enforcing currency control regulations, and for fixing the exchange rate of the yuan versus foreign currencies, the latter function being exercised jointly with the BOC and the PBOC. The Administration shares with the BOC responsibility for the national balance of payments.

Another component of the Chinese banking system is the China International Trust and Investment Company (CITIC), set up in Shanghai in October 1979, as a mixed venture (with foreign capital participating) in which foreign private property is actually nominal.⁷ The Company's Board of Directors includes a number of Chinese businessmen from Xianggang and Aomen. The Company reports directly to the State Council.

It should be noted that the Company's banking functions and contacts with other banking institutions in the PRC are rather limited. Generally speaking, it may be characterised as a semi-banking institution designed to attract foreign private capital since its main function is to contribute to the inflow of foreign capital and advanced technology into the Chinese economy. It invests in mixed ventures or export-oriented Chinese business or acts as an intermediary for foreign capital investments in such businesses. The Company uses different approaches to attract foreign capital, including "buy-back" deals and "cross-purchases".

The CITIC maintains business contacts with financial institutions in many countries. In February 1982 its rights were extended and it was given the opportunity to set up financial and other organisations in other countries jointly with foreign companies in order to secure foreign credit for China. It is also free to choose small and medium size investment projects in China and to use the foreign currency thus attained as credit or profit on investment. Between 1980 and 1981, the Company invested

⁵ *Ibid.*, pp. VIII-40.

⁶ *Beijing Review*, No. 10, 1984.

⁷ Paul D. Reynolds, *China's International Banking and Financial System*, New York, 1982, p. 34.

\$550 million in different projects within the country and in 1982 floated bonds in Japan valued at \$42.8 million.⁸

One more banking institution born of the "open doors" policy is the China Investment Bank (CIB), opened in December 1981 with the assistance of the International Bank for Reconstruction and Development (IBRD). It operates in international credit, reports directly to the State Council, and specialises in attracting foreign capital to finance and credit new construction projects and modernisation programmes at existing industrial plants.

The establishment of the CIB was prompted by the \$800 million China credit programme, launched by the IBRD and its affiliated International Development Association (IDA), in May 1981. The money thus allocated was invested in small and medium-size enterprises rather than big ones "in order to enhance the programme's impact on China's economic growth". A special agency was called for to distribute credit in keeping with the IBRD's instructions. The CIB was to perform that function: it is responsible to the IBRD administration and acts as a mediator in distributing IBRD credit among projects. Its main office is in Peking and it has also opened affiliates in Shanghai, Tianjin and the Jiangsu and Hebei provinces.⁹

The Bank's statutory funds, equalling 4,000 million yuan, are used to grant small and medium sized credits (from 5 to 9 million yuan) for capital construction projects and to carry out economic expediency studies of projects, relying on IBRD investment criteria, and to invest in mixed ventures with the participation of foreign capital. The foreign press cited the opinion current at the IBRD to the effect that the CIB was a foreign currency window of the Construction Bank designed to show other credit institutions in China how to make expedient decisions with respect to capital investment. The opinion stems from the point of view held by Western experts that the CIB is in fact nothing but a part of the People's Construction Bank of China.¹⁰

To sum up, the present-day Chinese banking and credit system includes the People's Bank of China, the Industrial and Commercial Bank of China, the Construction Bank, the Agrobank, rural credit cooperatives, the Bank of China, the China International Trust and Investment Corporation, and the China Investment Bank. To give a full picture of the situation, mention should also be made of two foreign (British) banks—the Standard Chartered Bank and the Hongkong and Shanghai Banking Corporation (with affiliates in Shanghai)—and two more banks—the Bank of East Asia, Ltd. (with an affiliate in Shanghai) and the Overseas Chinese Banking Corporation (with affiliates in Shanghai and Xiamen)—that belong to Chinese living abroad, had operated before the revolution and continue their activities at the moment for "historical reasons".¹¹ Until quite recently, their work was restricted to handling accounting in export and import transactions, receiving remittances from abroad and some mediatory operations. Beginning with 1984, their functions have broadened considerably and they now also accept foreign currency deposits from ethnic Chinese living abroad and foreign and mixed (with the participation of foreign capital) enterprises, deal in foreign currency credits and handle remittances.

The establishment of new banking institutions has led to the diffusion of credit resources among the banks, while their expanded credit relations within the economy have entailed a further diffusion of these resour-

⁸ *The China Quarterly*, 1982, No. 9, p. 466.

⁹ *The Economic Yearbook of China*, 1983, Peking, 1983, pp. IV-150 (in Chinese).

¹⁰ *China Business Review*, No. 1, 1982.

¹¹ See *The Economic Yearbook of China*, 1981, pp. IV-163; Paul D. Reynolds, *China's International Banking and Financial System*, p. 78.

ces among a greater number of borrowers, promoting tendencies towards the decentralisation and spontaneous development of the economy. This predetermined the reorganisation of the People's Bank of China into the country's central bank, exercising united supervision of and control over the activities of the specialised banks. In these circumstances the PBOC acts as a bank for other banks. The establishment of a special Council under the PBOC to settle moot problems arising in relations among specialised banks serves the same purpose of enhancing centralisation. The PBOC director is simultaneously the Council chairman, while representatives of the State Planning Committee, the State Economic Committee and the Ministry of Finance are Council members. If the Council is incapable of resolving a problem, it is tackled by the PRC State Council.

China attaches great importance to the reorganisation of the PBOC into a special central bank, viewing this measure as a fairly serious reform of the country's banking system. Former PBOC director and chairman of the aforementioned Council, Lui Peijian, said in an interview with a *Beijing Review* correspondent in April 1984, that this major reform was to impart special features to the socialist banking system of China and to play an important role in economic development and in strengthening contacts with foreign economic, currency and financial institutions.¹²

One should not neglect to examine so to say the "external" aspect of the reform. The Chinese mass media seek to underscore the similarity between the reorganised banking system and the capitalist countries' banking practices, to attract the attention of these countries and international currency and financial institutions and as if to elicit the approval of the reorganisation. The establishment of a special central bank on the basis of the PBOC is seen as a counterweight of its previous status when it catered to industry and commerce without being the central bank in the full sense of the word or having control functions with respect to specialised banks or the right to act as a mediator in conflicts.¹³ The idea of a central bank "in the full sense of the word", as interpreted in China, means that the bank's position should be similar to that enjoyed by the central banks in a capitalist economy in general, and, specifically with respect to their relations with commercial banks.

One of the reasons behind the establishment of a special central bank is the desire to strengthen relations with international currency and financial organisations. As was stated in no uncertain terms by Lui Peijian in the aforementioned interview, China has become an IMF and IBRD member and its economic ties with foreign states are growing. For this reason it is necessary that the country be represented by a truly central bank.¹⁴

The capitalist countries' economic mass media, on their part, have actively responded to the reform of the Chinese banking system and comment on it from their own point of view. For example, the well-known American journal, *The China Business Review*, wrote in 1982 when the reorganisation of the PBOC was merely contemplated, "Significantly, this is the only change that will take place in the banking sector resulting from the economic shakeup now being implemented in China."¹⁵ In early 1984, when the central bank and its Council had already been formed, the journal commented on the fact somewhat differently, pointing out the similarity between the produced structure and the US Federal Reserve System (an association of banks performing the functions of a central issuing bank) and then stated that apparently the new PBOC was meant

¹² *Beijing Review*, No. 15, 1984.

¹³ *Ibidem*.

¹⁴ *Ibidem*.

¹⁵ *The China Business Review*, No. 2, 1982.

to check and then reverse the decentralisation of the banking system.¹⁶

Six months later the journal cited criticism of the "inflexible banking system" levelled by a "meeting of the Chinese society of financial and banking workers" in connection with its failures to render professional, flexible and efficient banking service and the suggestion that opportunities be created for the establishment of new collective, local and co-operative banks to compete with the PBOC and other state banks.¹⁷ The pronouncements made by the American journal, in all likelihood, demonstrate, on the one hand, that US business approves of the reorganisation of the Chinese banking system and, on the other, it is not quite satisfied with the scope of the reform and wants to push China to develop its banking system along the lines of further decentralisation and the establishment of banking institutions that could compete with the state banks in catering to individual economic sectors in the country.

At the moment it is impossible to draw conclusions as to the effectiveness of the reorganisation of the banking system, just as it is groundless to expect its further evolution towards decentralisation. The Resolution of the CPC Central Committee on the Economic System Reform adopted at its 3rd plenary meeting (12th convocation) in October 1984 speaks in the most general terms of the intention to carry out, along with a price reform, a reform of the financial and banking system, to make better use of credit as an economic lever in readjusting the key national economic proportions, and to raise economic efficiency.

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16. Ibid., 1984, No 1.

17. Ibid., 1984, No 4.

POLITICAL HISTORY OF CHINA'S 'THIRD ROAD' OF DEVELOPMENT

Moscow FAR EASTERN AFFAIRS in English No 3, Jul-Sep 85 pp 86-99

[Article by S. R. Belousov: "Bourgeois Liberalism in China: The Political History and Ideology of the 'Third Road' of Development (1930's-1940's)"]

In the 1930s and 1940s Chinese society's life was determined by the confrontation of the two main political forces in the country—the Guomindang and the Communist Party of China (CPC). The fundamental question of the future of China's development was decided in the uncompromising struggle between these two parties, one reactionary, the other progressive. But along with them there also existed a third political force in China at the same time, which consisted of representatives of the so-called intermediate strata, i. e., liberal-bourgeois figures. The leading party of this third force was the Democratic League, and it could not be ignored. Its theoretical platform was a Chinese version of the "third road" of development as an "alternative" to both capitalism and socialism; this was rather widespread in the 20th century in a number of Asian and African countries. Soviet scholars of Asia and Africa have devoted and continue to devote much attention to the critique of national-reformist illusions which slow down the proletariat's self-assertion as a class and pose a certain threat to the cause of socialism because, along with a relatively progressive slant and a general-democratic, anti-imperialist nature, such concepts invariably involve attempts at a "synthesis of ideologies", the socialist and the bourgeois. Such synthesis is essentially absurd and harmful since "no one can combine what cannot be combined, what is antagonistic, what comprises class antipodes".¹ This problem is still relevant because it is most directly connected with the prospects of development for African and Asian countries. But the Chinese bourgeois-liberal interpretation of the theory and practice of the "third road" has not yet been studied in detail, although its retrospective analysis yields concrete grounds for criticising the concept as a whole and understanding the trends and patterns of China's ideological and political development in the latest period of its history, in particular. The purpose of this article is to fill in a part of this gap while not aspiring, naturally, to an exhaustive analysis.

When studying the Chinese version of the "third road", one must proceed not from chance comparisons, but from a comprehensive perception,

¹ R. A. Ulyanovsky, *Political Portraits of Fighters for National Independence*, Moscow, 1980, pp. 89-90.

and not only of the theoretical, but also the practical activities of its apologists. Moreover, the latter has a certain priority because socio-political thought is not formed in a vacuum; it is an organic part of society's life, and develops in accordance with changes in the historical situation and the internal situation in the country. This idea was especially relevant to China in the first half of the 20th century: the need to create a regime which corresponded as much as possible to conditions in Chinese society of the time, just as the permanent nationwide crisis demanding an instant reaction to various events, also presupposed the closest connection between theoretical doctrines and day-to-day politics, thus making ideologists take into account real-life socio-historical collisions in contemporary life and adjust their views to definite tasks of political struggle. It becomes obvious, in the given context, that a comprehensive understanding of the Chinese version of the "third road" requires that one study the inner springs of this struggle on the example of the evolution of the Democratic League of China, because the views of the exponents of the aforementioned concept were determined, to quite a considerable extent, by this organisation's self-seeking interests. The League became known as the "third force" in China. In other words, a concrete historical analysis of the mechanism of the Democratic League's functioning facilitates a scientific criticism of the theory itself because both this party's programme and its policy directly reflected its leaders' theoretical views.

Soviet Sinologists have repeatedly noted in their works the urgency of this theme; they stressed, "It is extremely important to make a comprehensive study of the history of the political parties of the Chinese landlords and bourgeoisie—the Guomindang, the Democratic League, the Young Chinese Party and various ideological trends connected with these parties.

"The problems connected with the study of the political history of the Chinese bourgeoisie, its various groups and strata... are of substantial interest both for understanding the present-day processes in the PRC... and for a comparative study of the bourgeoisie's role in the countries of Asia, Africa and Latin America."²

Symptomatically, these questions evoke considerable interest in present-day China itself, which is evidenced by the publication of relevant excerpts from the *Selected Works of Deng Xiaoping*, the permanent section in the *Renmin ribao* newspaper ("Studying National History") that regularly contains large articles on this subject, and other materials in the PRC's central press.³

PRE-HISTORY OF THE "THIRD FORCE" IN CHINA

Lenin noted that "The division of any society into different political parties is revealed most clearly of all in times of profound crises shaking the whole country."⁴

Chinese society, at the beginning of this century, is yet another proof of the accuracy of Lenin's thesis.

Parties developed intensively in China in the 20th century. During the Xinhai revolution of 1911 and later they grew like "young bamboo shoots in spring".⁵ But this was a complex and even painful process.

² *Problems of Soviet Sinology (Collection of Reports at the All-Union Scientific Conference of Sinologists in November 1971)*, Moscow, 1973, pp. 31-32; 121.

³ See for instance, *Renmin ribao*, Sept. 2, 1984, Aug. 24, 1983; *Hongqi*, 1983, No. 20, pp. 46-48; No. 23, pp. 17-22; No. 24, pp. 14-23; *Guangming ribao*, Dec. 15, 1983.

⁴ V. I. Lenin, *Collected Works*, Vol. 18, p. 45.

⁵ Yang Youjiong, *A History of Chinese Political Parties*, Shanghai, 1927, p. 48.

This was due to the absence of democratic tradition, clear-cut class differentiation in society (the amorphous social structure was reflected first of all in the political sphere), a tense internal situation and political instability in the country, numerous military and civilian cataclysms, and threadbare political standards.⁶ Monopoly rule of the reactionary Guomindang played an important, if not decisive role in the processes of party evolution. Its one-party dictatorship was officially sanctioned by two decades of the "political trusteeship" regime (1929-1948).

The numerous parties that sprang up in the 1920s and 1930s grew weak from the very moment of their birth. Such was the fate of most nationalistic groupings that usually originated on the initiative of Chinese students studying abroad. The only such organisation that "survived" was the Young China Party formed in Paris in December 1923 on the initiative of Zeng Qi, Li Huang and other "etatists", it was subsequently renamed into the Young Chinese Party.⁷

Another contingent of political parties and groups of "Liberals" appeared on the crest of the tide of national self-awareness that arose after the Japanese invasion of Northeastern China in September 1931. It was in that period that the Third Party, headed by Zhang Bojun, became more active, as well as the Agrarian Reconstruction Group headed by Liang Shuming, and the Society of China's Vocational Training headed by Huang Yanpei. The formation of the State Socialist Party of China led by Zhang Junmai, Zhang Dongsun and Luo Longji was announced in the autumn of 1934.⁸ Then, in December 1935, the National Salvation Association was created in Shanghai on the initiative of Shen Junru and Zou Taofen.⁹

The causes of the birth and invigoration of the "galaxy" of these parties generally boil down to the following: they appeared as a response to the threat to China's national independence and as a force striving for the abstract concept of democratising social life, because the middle, "intermediate" strata¹⁰ rather preferred a stabilised bourgeois-democratic system than the authoritarian regime of the Guomindang's "strong power".

It is necessary to note that these organisations of Chinese bourgeois liberalism, known as the "third" parties (that is, other than the Guomindang and the CPC), were by no means homogenous, their political platforms and ultimate aims differed considerably from one another and, moreover, the ideological concepts of each were very contradictory and one cannot assess them as a whole. Still, an analysis of these parties' programmes makes it possible to state with a sufficient degree of confidence that they were united by certain substantial factors as nationalism (which was also interpreted variously, ranging from progressive to reactionary-conservative), the traditional bourgeois-liberal thesis about the free competition of views in conditions of bourgeois democracy (as the only

⁶ J. K. Fairbank, *East Asia. The Modern Transformation*, Vol. 2, Boston, 1965, pp. 653-655.

⁷ On the Young Chinese Party see in: Liu Xia, *Young Chinese Party in the Past 18 Years*, Chengdu, 1941; *Materials on the History of the Young Chinese Party*, Taipei, 1955; *Young Chinese Party*, Peking, 1982.

⁸ For details see S. R. Belousov, "Concerning a Variant of Chinese Bourgeois Nationalism", *Far Eastern Affairs*, No. 3, 1983, pp. 114-125; "State Socialist Party of China", *Zaisheng Zazhi*, No. 5, 1946.

⁹ About these organisations see Shao Zhongyi, *General Characteristic of Chinese Parties and Groupings*, Fuzhou, 1946, pp. 41-71, 78-83, 87-91; *Parties and Groupings in the New Democratic Movement in China*, Shanghai, 1946, pp. 41-61.

¹⁰ There is no clear definition of this term as related to China in Soviet literature. Whatever the case, these forces had a very motley social composition, but mostly they united liberal sections of the national bourgeoisie (first of all, government officials and intellectuals—teachers, students, cultural figures, etc.), liberal landlords and some of the petty bourgeoisie.

rational form of political struggle) and opposition of various degrees to the official regime, enabling these parties to unite their efforts at a certain point.

If we were to briefly characterise the position of small "third" parties and groups in China late in the 1920s and the first half of 1930s, it could be said that during that period they were nothing more than extras on the country's political stage. After Chiang Kaishek's counterrevolutionary coup in April 1927 which drove the CPC underground and the publication and implementation of the "Programme of Political Trusteeship" (January 1929), the small organisations of the liberal national bourgeoisie existed only in name: their underground activities were devoted solely to solving the problem of survival. After the Japanese invasion of Manchuria, the Guomindang somewhat altered its attitude to small parties and eased some restrictions on their political activities. Still they did not get legal status, as evidenced by the notorious arrest of the "seven noble persons", i. e., seven leaders of the National Salvation Association, in November 1936.¹¹ The "Law on the Immediate Punishment for Crimes against the Republic", adopted in January 1931 and worded in no uncertain terms was still in force during that period. One can justly say that every political party was denied the right to a more or less legal existence up to the beginning of the anti-Japanese war both from the viewpoint of the legislation of that time and political realities.

PARTY ORGANISATION AND THE FIRST STEPS

A new stage of Japanese aggression (July 1937) confronted China with the need to work out a programme of nationwide resistance to the invaders, a programme making it possible to coordinate the efforts of all political parties and groups. Under these conditions the Guomindang leadership was forced to consent to the formation of a single national anti-Japanese front in accordance with the demands of the CPC and other patriotic forces. The creation of the Consultative Council of National Defence was the first step in this direction. Exactly a year later, on July 7, the National Political Council was formed. It consisted of representatives of all parties and the Guomindang commanded the absolute majority (with a ratio of 24 to 176). It would have been naive, naturally, for the progressive forces and middle strata to have had any illusions concerning the Guomindang's composition of this body, but at least during the first year of the NPC's existence the various parties in it worked relatively closely.¹²

But even during this period the small parties of the "intermediate" forces did not have the status of independent political organisations fully recognised by the law. On the other hand, at the very beginning of the anti-Japanese war their position depended not so much on relations with authorities as on their own popularity. But while balancing between the two biggest political forces, the Guomindang and the CPC, the "third" parties could not put up any real competition to them and had little chance of vigorous development since they lacked clear theoretical concepts for social transformation, while neither their programmes, nor their leadership or practical steps were original or in any way obviously attractive. So, as such, the claims of the "Liberals" were largely unsub-

¹¹ See S. R. Belousov, "Zou Taofen, a Champion of Sino-Soviet Friendship", *Far Eastern Affairs*, No. 1, 1980, p. 182.

¹² See Ch'ien Tuan-sheng, *The Government and Politics of China*, Camb. (Mass), 1961, pp. 280-281, 371.

tantiated and they had no objective cause to regard their position during that period as unsatisfactory. Besides, the "third" parties had hoped for an improvement of their position and for the development of cooperation with the Guomindang and the CPC within the framework of the united front.

But early in 1939 the period of the political regime's relative liberalisation came to an end and the situation changed drastically for the worse. The intensification of reactionary tendencies in the Guomindang, the aggravation of its relations with the CPC, the adoption of the decision "On Measures to Restrict the Activities of Alien Parties" (January 1939)¹³ all these could not but affect the position of small political groups. Under these conditions the leaders of some of them arrived at the conclusion that it was necessary for China's "third force" to become organised, which fact would facilitate the settlement of internal political conflicts and the country's democratisation (in the bourgeois sense). At the time this meant, first of all, the liquidation of the Guomindang's one-party system and the creation of a coalition government.

The phenomenon of China's "third force" and its representative, the Democratic League, formed gradually, passing through a number of stages before attaining its final organisational form. In the winter of 1939-1940 the leaders of various "second echelon" parties, members of the NPC, reached an agreement on uniting the organisations they led into an Association of Champions of National Reconstruction.

Chongqing became the centre of its activity and it published the newspaper *Guangming bao* and the journal *Renmin xianfa*. The new Association was joined by the YCP, SSP ARG and SCVT. The Guomindang's attitude to its creation was sharply negative. One of its leaders, Sun Fo, was sent to Hong Kong in order to take measures to limit the Association's activities. In addition to this, the Guomindang Central Executive Committee's mouthpiece, newspaper *Zhongyang ribao*, questioned the Association's existence because the statement on its establishment failed to mention any names of its members or its leadership.¹⁴

When the reactionary Guomindang leadership staged its military provocation against the CPC in January 1941, a number of "liberal" parties and groups opposed to the Guomindang convened a congress in March 1941 in order to merge together. At this congress the Association was reorganised into the League of China's Democratic Political Organisations. At this stage, besides the aforementioned group, the League was also joined by the Third Party.¹⁵

In October 1941 the new organisation published in *Guangming bao* a declaration of a progressive nature and the text of its programme ("The 10-Point Programme") which spoke of the need to prevent a renewal of the civil war and to democratise society's life.¹⁶ But because of the heterogeneity of its social composition, differences in the political views of individual groups, and, mostly because of the considerable influence of right-wing elements and continued illusions about the Guomindang in that period (March 1941-October 1944), the League was mostly passive, it did not conduct any vigorous struggle for the implementation of its declared principles, remaining a small organisation with little influence.

¹³ *China's Current History, 1917-1970*, Moscow, 1972, p. 193.

¹⁴ The question of "anonymity" was raised at a meeting of the NPC Standing Committee but at the same meeting Zhang Junmai, Zuo Shunsheng, Huang Yanpei, and Luo Longji stated that they were assuming responsibility for all actions connected with the new organisation. See C. Chang, *The Third Force in China*, New York, 1952, pp. 113-114.

¹⁵ See Shao Zhongyi, *Op. cit.*, pp. 54-55.

¹⁶ See *Materials on Criticism of the Middle Road of the Chinese Bourgeoisie*, Vol. 2, Peking, 1958-1959, pp. 6-8, 9.

The situation was worsened by the semi-legality of its activities which presented various organisational difficulties in addition to difficulties due to the war.¹⁷

THE DEMOCRATIC LEAGUE STEPS UP ITS ACTIVITIES

A document called "The Position of the League of Democratic Political Organisations of China with Respect to the Present Moment" was published in May 1944; it reflected the aggravation of the domestic situation and increasing dissatisfaction among the liberal bourgeoisie and intelligentsia vis-à-vis the Guomindang's anti-national policy. It was roughly at that time that concrete steps began to be taken to escalate the League's activities. Some of its leaders believed that "the unification of the efforts of small parties and groups is not enough for the implementation of a democratic policy, and it is necessary to merge the efforts of the representatives of all sections and strata of society in future"¹⁸ [reference was made here to these very same "intermediate" layers—S. B.]. In other words, the goal was to turn the League into a "local" united front of "third" forces (a "united front of local importance"). In September 19, 1944 the organisation was renamed the Democratic League of China since it strove to expand its framework and "rise to the rank" of the third major political party (besides the Guomindang and the CPC). This was confirmed by the publication of the text of the "Draft Programme" on the very same day. The same aim was also behind the internal reorganisation of the League, implemented at a conference in Chongqing on October 20 of the same year (actually it was the first congress), as a result of which it was joined by the NSA—the most progressive of the small parties. But the introduction of individual membership was the main factor stimulating noticeable growth of the Democratic League's size and influence, owing to which it swelled its ranks, mostly with teachers and students from various university centres, especially Chongqing and Kunming. More often than not, proselytes were in a more militant mood than the representatives of the parties and political groups affiliated with the League.¹⁹

But the question of membership remained unsettled to the end. At the peak of the League's activities, it consisted of the three small parties (YCP, SSP and the Third) and three political groups (ARG, SCVT, NSA) that comprised the "Six"—"Liuge dangpai", and of the so-called "independents" not associated with the aforementioned groups and numerous students (although the League's leadership denied any efforts on its part to recruit members from among students), as well as a certain number of both civilian and military politicians, representatives of the business community and officialdom of big Chinese cities who had various reasons to be dissatisfied with the Guomindang regime. On the whole the Democratic League's composition was a motley one, with "independents" accounting for an extremely great part of the membership (for instance, 70 per cent of the total in 1946).²⁰ An analysis of its com-

¹⁷ A revealing detail: the League's newspaper *Guangming bao* was shut down in December 1941 when the Japanese seized Hong Kong, and its editor-in-chief Liang Shuming had to flee to Southwest China. See C. Chang, *Op. cit.*, p. 115.

¹⁸ *General Characteristic...*, p. 29.

¹⁹ Yi Sheng, "Democratic League of China", *Zaisheng*, January 1946, No. 5, p. 14. The Guomindang's increased hostility to the League was a negative result of the reorganisation.

²⁰ The Central Executive Committee elected at the League's Extraordinary Congress in October 1945 consisted of about 60 members, half of them representing the "Six" and half consisting of individuals from various walks of life and professing diverse political views. The Committee's motley composition reflected the League's heterogeneous social composition as a whole. See *General Characteristic...*, p. 30.

position leads to the conclusion that such an organisation could hardly count on winning political power in the country. If the League did acquire a certain influence, it was due more to the unpopularity of the Guomindang, the object of its attack, rather than to any positive actions or alternative proposals by the League's leadership.

It is difficult to determine the size of the Democratic League's membership, it was very roughly set at "less than 100,000" (in 1944).²¹ During the anti-Japanese war, Chongqing, Chengdu and Kunming were the centres of its activities, while after the war, its higher bodies moved to Shanghai.

THE CHINESE VERSION OF THE "THIRD ROAD" CONCEPT

Changes in the League's social composition could not but influence the world outlook of such a complex conglomerate of political forces as the League was after its reorganisation. The "Political Platform of the Democratic League of China with Respect to the Concluding Period of the War of Resistance" was drafted on the eve of the reorganisation conference (October 10, 1944) and adopted at the conference. The programme noted the need to abolish the regime of the Guomindang's monopoly rule, step up military operations against Japan, "improve the people's living conditions" and "strengthen friendly relations with allied states". The formation of a coalition government within the shortest period of time was declared a fundamental task of top priority, an imperative preparatory step for introducing constitutional rule in the country.²² It can be said on the whole that right up to 1948 (when it supported direct cooperation with the CPC) the League professed the ideals of bourgeois democracy as they are known in the West. As to its economic programme, as in most other policy choices, a compromise was achieved (at least, outwardly) that could be characterised as a certain modification of the ideas of social-reformism.²³

J. E. Sheridan believes that the leaders of the "intermediate" forces regarded themselves as specialists, as experts in their particular fields, who, as citizens, could criticise from the sidelines the policy pursued by others while lacking experience or real justification for formulating their own.²⁴ One cannot fully accept this statement because the "Liberals" suggested their own alternative for China's development, although, and this must be admitted right away, it was of an illusionary nature.

The platform's compromise nature was necessary for the very existence of China's "third force", as a whole, and of its representative—the Democratic League—in particular. So the ideological diversity, the differences in the political views held by separate parties, groups and "independents" had to be reconciled to some common denominator. It was the Chinese version of the "third road", its own "model" of development in the context of "national specifics", based on an idealistic, abstract concept of the nation state as a "supra-class" institution and viewed as the only possible logical alternative to both capitalism and socialism, that became such a common denominator. "We need democracy", wrote Zhang Dongsun, "but without capitalism. We need socialism, but without revolution and proletarian dictatorship".²⁵

²¹ S. Gunther, *The Challenge of Red China*, New York—London, 1945, p. 463.

²² See *Materials on Criticism...*, Vol. 3, pp. 19-21.

²³ See the League's 1945 Programme. In *Materials on Criticism*, Vol. 4, pp. 79-80.

²⁴ J. E. Sheridan, *China in Disintegration. The Republican Era in Chinese History*, New York—London, 1975, p. 282.

²⁵ Zhang Dongsun, *The Middle Political Course*, In *Materials on Criticism...*, Vol. 4, p. 177.

The leaders of the "third force" had a negative attitude towards capitalism, on the whole. They considered it incapable of ensuring social equality in society. But this objective evaluation was neutralised by their rejection of socialism because of its supposedly "undemocratic" nature. The latter thesis derives from the idealistic interpretation of democracy as a supra-class concept limited to the political and juridical spheres and related, first of all, to spiritual realms. For this reason, the ideologues of China's "third road" of development aimed at a synthesis of what they considered to be the strong points of capitalism and socialism in the belief that *democracy of the Chinese type* [my emphasis.—S. B.], which is so needed by the country at present, can be elaborated by merging the economic democracy practiced in the USSR with political democracy of the Anglo-American type".²⁶ Such socio-historical illusions originate from the views of revolutionary democrats, in particular Sun Yatsen (in his thesis about a possible "synthesis" of capitalism and socialism).

But the national-reformist idea of the possibility of "bypassing" the development of monopoly capitalism, on the one hand, and "avoiding" revolutionary, social transformations, on the other, inevitably, often contrary to its apologists' subjective aspirations, drives the country along the typical capitalist road. In this sense the Chinese version of the "third road" was no exception: the negative attitude to class struggle, resulting in the removal of all political means transcending the limits of bourgeois democracy from the arsenal of liberal bourgeois parties in itself implying that the "general human values" they proclaimed for speculative purposes were actually being turned into a sacrifice to the exploiter minority's real class interests. In other words, democratic declarations by the theoreticians of the "third road" actually boiled down to nothing more than the establishment of a dictatorship of the national bourgeoisie. In one case, (NSA) this position was explained by the preservation of ideological illusions, while in others (YCP and SSP) by a more or less deliberate apology of capitalism.

So the main dilemma for the ideologists of the "third road" was that formidable contradiction between social revolution and parliamentary democracy which dictated the historically limited compromise between the Democratic League and the forces standing to its right, that is, the Guomindang. The rejection of radical transformations in the socialist sense was a necessary precondition for such a "tactical alliance".

Moreover, the theoreticians of bourgeois liberalism ignored objective conditions in China which gave them no reason whatsoever to idealise either the "non-capitalist" or the "non-socialist" road to national development. The "third road" was impossible, on the one hand, due to its implacable contradiction with imperialism's desire to perpetuate China's dependence, and, on the other hand, due to the existence in China of two strong antagonistic camps, led by the Guomindang and the CPC, with which the economically and politically weaker "intermediate" forces could not in any way compete.

Whereas, strategically, the "third road" had no future, from the tactical point of view, given the favourable conditions (fierce competition between the two leading parties with opposing class interests), the "third force" would acquire a good opportunity to engage in extensive political manoeuvring, an opportunity it did not miss. In addition, the idea of a "national" bourgeois-democratic republic was still quite popular with certain sections of society, including not only the middle but also the petty bourgeoisie, not to mention appeals to unify the country, to step up the national liberation struggle and achieve "national revival". All this provided an emotional background for certain political slogans and enab-

²⁶ *Ibid.*, p. 75.

led the "third force" to retain its influence on a part of the population. In fact, this influence actually grew during the first post-war years.

Many representatives of the liberal segments of the national bourgeoisie, championing the "middle-of-the-road" political course, were still harbouring illusions about Chiang Kaishek's Guomindang in the hope that, as the leader of the Third Party Zhang Bojun contended, it would ultimately "satisfy people's demands, take into its hands the key to the country's unification and, adhering to the great path of democracy, start building a state of the three popular principles".²⁷ Some leaders of the "intermediary" forces (Zhang Junmai, Luo Longji, and others) banked on the coordination of US policy in China with the activities of the "third force" as a guarantee of the speediest and most "painless" establishment of a bourgeois-democratic regime in the country. (When General Marshall, the US representative, came to China, Zhang Junmai became his "right hand" man and was allowed into the inner circle of the Democratic League's leadership.)

On the whole, despite the democratic ring of the League's political guidelines, an analysis of their actual content shows that they reflected narrow class egoism and were time-serving. First of all, the national bourgeoisie's interest in putting an end to the domestic conflict and "peaceful unification of the country" was motivated by its desire to create most favourable conditions for its own political manoeuvring and to consolidate its economic position. Second, its demand to reform the state system in the spirit of bourgeois democracy was due to the fact that most leaders of the "intermediate" forces feared genuinely revolutionary social transformations. On the whole, the same factors also explain demands for a general liberalisation, for the legalisation of all parties' activities (naturally, of the "third parties" activities in the first place) and the liquidation of the "political trusteeship" regime, which meant a restriction of the Guomindang's power.²⁸

Substantiating their claims to the role of a middleman between the Guomindang and the CPC, the "Liberals" insisted that it is their position that "expresses the opinion of the majority" and that it "really echoes the voice of the people", said the League's Chairman, Zhang Lan, at the League's Extraordinary Congress in October 1945. These statements, by representatives of the Chinese middle bourgeoisie, reflected attempts characteristic of the class as a whole to pose as a class "expressing the interests of the entire nation" (bourgeois nationalism, no doubt, played quite a big role here).²⁹

In reality, the theoretically amorphous concept of the illusory "third road" towards social transformation, which they advocated, mostly boiled down to cosmetic reforms; in effect one class—the bourgeoisie—retained power in its hands. Which segment of the bourgeoisie was to wield this power—the big or middle bourgeoisie, the compradore or national one—was irrelevant because the formal proclamation of the principles of bourgeois democracy, viewed by "third camp" leaders as a prerequisite for the country's democratisation, did not affect the true essence of power—the economic and political dictatorship of the exploiter minority.

²⁷ *Xinhua ribao*, Sept. 14, 1945.

²⁸ See Zhang Dongsun, *Let US Determine the Purpose of our Efforts to Create a "Coalition Government"*, In *Materials on Criticism...*, Vol. 4, pp. 237-238.

²⁹ The nationalistic aspect of the "third road" theory in China is not dealt with in this article because it is a multi-faceted problem and should be the subject of a separate study. For more details see *Peoples of Asia and Africa*, 1981, No. 1, pp. 174-193 (in Russian).

From what has been said above, one can conclude that, theoretically, the Democratic League was the personification of "coalition mentality", i. e., views and notions determined by certain social strata's belonging to some inter-class coalition formed on the basis of the relatively stable coincidence of its participants' interests. But even though the ideologues of the "third force", in principle, similarly interpreted the most important questions of the current political situation in China, the "mosaic" nature of their common theoretical platform is all too evident. In a conglomerate of parties and groups like this where representatives professed their own ideas and views differing to one degree or another by their social content, each organisation belonging to the League ought to have had and did have a definite ideological dominant in the field of theory. Hence the existence of two wings in the League: the left one, represented first of all by the NSA, the Third Party, and most of the "independents", and the right wing uniting the YCP, SSP and their supporters from among the most conservative members of the League. The "plurality" of ideology and theoretical twists and turns reflected the political differences inside China's "third force" itself, and vice versa.

From the outset of its existence (between the summer of 1939 and autumn of 1944), the coalition of Chinese liberal-bourgeois groups was dominated by the YCP and SSP in terms of both ideological and political influence. Suffice it to say that of the 13 members of the Standing Committee, elected at the League's constituent congress in October 1944, four represented the YCP, two—the SSP, while another two were from allied groups. The General Secretary of the Central Executive Committee, Zuo Shunsheng, was also a right-winger.³⁰ When the League was reorganised and joined by a great many progressives, the right-wingers' key positions, became threatened. This brought with it an intensive behind-the-scenes infighting between right-wing and left-wing forces, not so much over policy matters as over control of the League's apparatus. (There were also constant personal conflicts between the leaders of various parties, mostly motivated by personal ambitions). These differences reached their peak at the Extraordinary Congress in October 1945. The YCP, which, until then, had actually exercised monopoly control over the Secretariat, was removed from it (only one of its representatives was left to head the Secretariat, and even so this was a mere formality). Real control and moral authority went over to more progressive groups and democratically-minded personalities—with no party affiliations—who sympathised with the Communists.³¹

On the eve of talks on the question of peacefully settling internal conflicts (late in 1945), the Guomindang promised the YCP a certain number of seats at the forthcoming Political Consultative Conference totally out of proportion to that party's actual weight and influence, on the condition that it would renounce all cooperation with the vanguard of the "third force". The Young Etatists accepted this offer without any hesitation and thereby finally withdrew from the coalition of "intermediate" forces. The SSP, by then reorganised into the Democratic Socialist Party (Zhongguo minzhu Shéhuidang)³² wavered longer but then (already after the end of the Political Consultative Conference) also put itself outside the Democratic League, maintaining that there was "no reasonable alternative" to participation in the National Assembly propped

³⁰ See *China Handbook*, 1950, New York, 1950, p. 254.

³¹ See Ch'ien Tuan-sheng, *Op. cit.*, p. 359.

³² At a meeting in Shanghai in August 1946 the SSP united with the Democratic Constitutional Party that functioned in North America under the leadership of Wu Xiangzi and Li Daming, and was renamed as the DSP. See Shao Zhongyi, *Op. cit.*, p. 60.

up by the Guomindang and boycotted by the progressive forces. Subsequently, the party's leader Zhang Junmai made a statement that is a text-book example of political hypocrisy: he said the DSP's rupture with the Democratic League was justified because the latter supposedly had become "an obedient political tool of the CPC".³³ In reality, the reasons for the withdrawal of the YCP and the SSP from the League were much more earth-bound. They were quite frankly and rather cynically formulated by the YCP leader, Zeng Qi, who stated that "our generation should not be judged sternly: among us there are the most diverse people, including those who might want to become just government officials or simply well-to-do people".³⁴

The removal of the right-wing elements had a positive effect on the atmosphere inside the Democratic League and triggered its development into a more progressive organisation, as confirmed by the Political Declaration of October 11, 1945 and the text of the programme adopted at the Extraordinary Congress.³⁵

Since that time, the Democratic League has become increasingly uncompromising with respect to the Guomindangists who had irrevocably turned away from the "reformist revolutionaries" of the 1920s towards "traditional bureaucrats",³⁶ while their leaders, as the former US Secretary of State Dean Acheson wrote, were weakened, demoralised and unpopular. The League began to cooperate more closely with the Communists with whom it had restored relations in the summer of 1945.

THE DEMOCRATIC LEAGUE'S TRANSITION TOWARDS COOPERATION WITH THE CPC

The aggravation of the national crisis after the end of the anti-Japanese war, the country's grave economic situation, the intensification of political repressions and US interference in China's internal affairs provoked more and more anti-government sentiments among broad segments of Chinese society and invigorated the activity among the "intermediary" forces. These forces aspired to play a conspicuous role at the forthcoming Political Consultative Conference and this was additional incentive for these forces to join in active political struggle in November-December 1945.

The political struggle that developed at the Conference (January 10-31, 1946), where the Democratic League was represented by 9 delegates, was a part of the larger class struggle in the country. (George Marshall was very active behind the scenes). Despite the broad spectrum of the political views of the "intermediate" forces' representatives, on the whole their stand at the Conference was determined by their theory of the "third road". Chiang Kaishek counted on the League's relative neutrality, not without reason, because some of its representatives—in the beginning of the Conference—were more or less inclined towards conciliation with the Guomindang. But already in the course of the Conference the Cuomindang's overtly reactionary position made the "third force" leaders give their support to the CPC's proposals. So a "split into two camps" occurred at the Conference: the Guomindang, the YCP and six or seven non-party delegates were in one camp, while the Communists and representatives of the Democratic League, supported by one or two non-party delegates, were in the other. The first camp united 18 or 19

³³ See C. Chang, *Op. cit.*, p. 184.

³⁴ *Renmin ribao*, Sept. 2, 1983.

³⁵ In *Materials on Criticism...*, Vol. 4, pp. 76-78, 81-82.

³⁶ Chan F. G. (ed.), *China at the Crossroads: Nationalists and Communists, 1927-1949*, Boulder (Col.), 1980, p. 2.

delegates, while the second—17 or 18. Only one or two delegates remained neutral and did not join either camp.³⁷

When the National Assembly formed by the Guomindang (November-December 1946) began to function, the Democratic League joined the Communists in boycotting it and later refused to recognise the pseudo-democratic constitution that it adopted. Later on its participation in civil disobedience and resistance to the Guomindang government, organised by the CPC, became a regular occurrence and was generally recognised as such. This could not fail to provoke a sharp reaction and, six months later, when the Guomindang leadership declared Communists to be "anti-government elements" ("bandits" or "rebels" in their terminology), the Democratic League was outlawed on October 27, 1947 as an organisation supporting the "rebels".³⁸ Despite the League's Chairman Zhang Lan's initial refusal to fulfil the dissolution order, the "third force" leaders could not entirely ignore the political effect of the government's step which disarmed the League and forced it to surrender several days later. But many of its leaders fled to Hong Kong and resumed their anti-Guomindang activity (under the leadership of Sheng Jiongru who, for all practical purposes, became the League's acting Chairman).³⁹ They saw the circular on dissolution as a document adopted under downright pressure and refused to obey it. Some of the League's branches acted in a similar manner, for instance, in Singapore.

The 3rd Plenary Meeting of the Central Executive Committee of the Democratic League opened in Hong Kong on January 5, 1948. It decided to continue activities and adopted a declaration outrightly condemning the Guomindang regime's policy. The "third force" leaders expressed their solidarity with the CPC's programme, their recognition of the CPC's vanguard role and readiness to support the armed struggle against the collapsing counterrevolution. The CPC's direct contacts and cooperation with most parties of the "second echelon" began in the spring of 1948.⁴⁰ After the formation of the PRC, the leaders of the Democratic League became members of the Central People's Government.⁴¹

As is known, the Democratic League's further history is rich in various events connected with changes in the PRC's domestic policies. Its position has somewhat stabilised in recent years: the League, with membership of more than 40,000 (mostly figures in culture and education), together with the CPC and on par with seven other small political parties of "patriotic elements" is part of the "united front of China guided by the thought of Mao Zedong".⁴²

General Marshall, who left China early in 1947 and qualified his "go-between mission" as a fiasco, wrote that from his point of view the situation could have been saved [that is the Communists could be kept from seizing power.—S. B.] by handing over leadership to liberals in the government and members of small parties, a "group of worthy indi-

³⁷ Chi'en Tuan-sheng, *Op. cit.*, p. 378.

³⁸ The intensification of the repressions began much earlier: prominent members of the League, Li Gongpu and Wen Yiduo, were killed in Kongming back in July 1946 and soon afterwards almost all of the League's periodicals were banned. *Renmin ribao*, Aug. 8, 1983.

³⁹ See *China Handbook*, 1950, p. 255.

⁴⁰ *China's Modern History*, p. 234. In the spring and summer of that year the League's executive bodies moved from Hong Kong to the liberated areas. *Hongqi*, 1983, No. 23, p. 18.

⁴¹ For information on the League see *Collection of Articles on the Democratic League of China*, 1945.

⁴² See *Hongqi*, 1983, No. 24, pp. 14-23.

viduals", as he put it.⁴³ But this was a stillborn and futile hope: due to the irreversible character of history, *the country's "third force" could not take upon itself the solution of Chinese society's cardinal problems.* But even if one were to purely hypothetically accept such a possibility, its implementation would have come up against an insurmountable obstacle—the "third" parties' weakness which was the weakness of the entire Chinese liberalism.⁴⁴ But it is also doubtless that both the Guomindang and the CPC were equally extremely interested in attracting "third force" leaders to their side for these leaders exerted quite a big influence on certain sections of the population and actually served as a barometer of public opinion.

Although in the 1940s China's "third force" unquestionably played a positive role in the country's democratisation, it would be wrong, of course, to idealise its activities. First of all, the national bourgeoisie's economic weakness prevented it from exerting substantial influence on the course of political processes on the whole. The praise lavished on the "third road" of development can be explained by the dual nature of the social and economic position of the middle layers of Chinese society whose interests, on the one hand, suffered from the oppression of foreign and large national capital and, on the other hand, contradicted the class interests of the proletariat and peasantry. It is this that accounts for the appearance in China of its own interpretation of the theory of the "third road", the concept of a "national model" of development with due recognition of China's "specificity" supposedly making it possible to "avoid" the odious features of capitalism and the "extremes" of the only historically feasible genuine socialism. These bourgeois-reformist illusions, advertised by some leaders of the intermediate camp as a "programme for China's national salvation" and a "non-Marxist alternative to capitalist development", posed a certain threat to socialism's speedy victory in the country, although from the point of view of strategy, the alternative offered by the liberals was actually no real alternative at all.⁴⁵

The aggravation of class struggle in China after the end of World War II and the beginning of the civil war, which compelled every party and every leader of the "intermediate" forces to take an unambiguous stand and openly choose someone's side, brought about a split in the Democratic League. Its right wing chose what it thought to be the "lesser of two evils" and bound its fate with the reactionary Guomindang, while the political sympathies of the left wing and centre of the League evolved towards the CPC's platform.

This was the logical conclusion of the activities of China's "third force" because *the road of social development it suggested was illusory and led nowhere.* It was not an ideological stance, but primarily a political doctrine geared at solving immediate problems of "transforming" Chinese society in the interests of its middle strata.

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⁴³ *United States Relations with China*, Washington, 1949, p. 688.

⁴⁴ J. E. Sheridan, *Op. cit.*, p. 282.

⁴⁵ *Ibid.*, p. 283.

'FRIENDSHIP ANNIVERSARY' OF U.S.-PRC RELATIONS

Moscow PROBLEMY DALNEGO VOSTOKA in Russian No 2, Apr-Jun 85 (signed to press 24 May 85) pp 102-105

[Review by M. V. Koval, candidate of historical sciences, of book "Patterns in the Dust. Chinese-American Relations and the Recognition Controversy, 1949-1950" by N. B. Tucker, New York, 1983, 396 pages: "On the U.S. 'Friendship' with the PRC"]

[Text] This book by Nancy Tucker, assistant professor of history at Colgate University in New York, analyzes U.S. policy toward China in 1949-1950. The author tries to reveal the main causes and factors affecting the policy of the Truman Administration toward China during the "few critical months" which led, as Tucker writes, to the subsequent "31-year estrangement" from the PRC.

The author examines the period from January 1949, at the start of Truman's "second administration," when events in China had already determined the outcome of the civil war and the defeat of the Kuomintang, to June 1950, at the start of the war in Korea, which, in the author's words, "put an end to rational analysis" (p VII).

Examining the U.S. Government's actions in support of Chiang Kai-shek's nationalist regime on the one hand and its attempts to "regulate relations with the Chinese communists" on the other, Tucker uses a great deal of recently published U.S. papers and archival documents dating back to the period in question (part of the "International Relations" series) as well as Kuomintang sources and papers from private collections, including information she received during conversations with former U.S. Ambassador to China John L. Stuart, renowned Sinologist, diplomat and former U.S. Consul-General in China Oliver E. Clubb, General A. C. Wedemeyer and other U.S. political figures of that time.

The "new approach" Tucker claims to be taking to U.S. policy toward China during these years has been associated by her and by the reviewers of her book with her use of "previously inaccessible" sources. On the basis of this new information, the author wants to prove that the U.S. leaders of that time, Democratic President Harry Truman and Secretary of State Dean Acheson, were not at all the kind of zealous anticommunists and pro-Kuomintangists they were earlier thought to be. The basic premise of Tucker's evaluation of Washington

policy of that period is the statement that Truman and Acheson were simply "preoccupied with cold war diplomacy and the regulation of domestic political affairs" and were therefore unable "to make quick decisions on events in the East" (p VII).

Furthermore, this position was certainly not "passive," as many critics have assumed. The author asserts that the diplomatic behavior of Truman and Acheson "masked their serious efforts" and intention to analyze the new situation in China and determine its potential advantages for the United States. To the author, White House policy resembles "patterns in the sand" rather than a precise line, and it is these patterns that Tucker tries to decipher, for the purpose of establishing the truth with the aid of new information and the financial support of the Truman Institute and the Ford and Mellon foundations.

Contrary to the common view in the U.S. political and academic communities of Harry Truman as a firm anticommunist and pro-Kuomintangist before and after the establishment of the PRC, the author tries to prove the President's "loyalty" and his "careful" approach to the situation in China and underscores the American administration's "peaceful attitude" toward the Chinese communists.

To substantiate these statements, Tucker studies the reactions of various segments of the American public to the Chinese revolution: She analyzes the attitudes of big business, the media, the general public, politicians, missionaries and academics and the influence of all of these strata on U.S. Government decisions and policy with regard to China.

By January 1949, when the Kuomintang regime in China had effectively collapsed, America had to choose between continuing its support of Chiang Kai-shek or recognizing the new government in Beijing. But Acheson, the author says, felt there was no need to hurry. He compared the defeat of the Chiang Kai-shek regime to "a tree falling in the forest" and believed that the United States should "wait until the dust settles" (p VII). Besides this, the White House was then, according to the author, preoccupied with the "Soviet challenge in Europe," and Truman and Acheson felt that China "was on the periphery of American interests" (p 2). The main difficulty for Truman and Acheson, in Tucker's opinion, was that they had inherited the "defective policy" of F. D. Roosevelt, who had "miscalculated" the nature of the Chiang Kai-shek regime and hoped, with its aid, to establish an "independent, democratic and pro-American China...to control the East and keep Russia at a distance" (p 7).

The author criticizes Roosevelt for cooperating with nationalist China and also for the "concessions" to the Soviet Union, concessions to which the United States allegedly agreed at the Yalta conference in 1945. At the same time, Tucker distorts the Soviet Union's actual position with regard to China and uses this as a basis for her theory justifying what she calls the "illogical" U.S. policy of continuing to support the decaying and unreliable regime of Chiang Kai-shek rather than the CCP, allegedly in the belief that Mao Zedong, after he had been "abandoned by Moscow," would have to strike a bargain with the Kuomintang and form a coalition government in China under the supervision of American General G. Marshall (p 8).

The author appears to divide the blame for the failure of this plan equally among Chiang Kai-shek, the U.S. Government, which had begun transferring Chinese troops from Sichuan to central China (which aroused the understandable "hostility of the Chinese communists"), and the Soviet Union, which again allegedly "broke the promises" it had made in Yalta by "supplying the CCP with weapons," which "prevented the nationalists" from carrying out their operation to take northeast China.

What is more, the author constantly tries to justify the actions of the Truman Administration by asserting that the "cold war" policy which was gathering strength in the United States applied only to Europe, that it was supposed to "block Soviet actions in Europe" and that neither Truman nor Acheson wanted the "cold war" to spread beyond Europe. And all that they can be blamed for is supposedly their "inability to restrain war propaganda" in the United States, where hostility toward the Soviet Union and toward all communists in general was increasing on the wave of the "cold war," which was used by Chiang Kai-shek and pro-Chiang Kai-shek groups in the United States--the China lobby--to "link the civil war in China with Soviet-American confrontation" (p 11). Tucker repeats all of the now well-known facts about the energetic actions of American Republicans, who were "lusting for power," wanted to "get even with the Democrats" for presidential candidate Dewey's election defeat in November 1948, "linked China policy with the cold war," stirred up a commotion over the Alger Hiss affair--he was Roosevelt's adviser in Yalta--and savagely attacked the Democrats for "letting communists into the U.S. Government," for "coddling communists," for "undermining Chiang Kai-shek's prestige" and so forth (pp 12, 17).

Tucker stubbornly tries to convince the reader that Truman and Acheson made every effort to act carefully and calmly; Acheson supposedly objected to the use of any kind of force against China, even when the communists arrested the American consul in Mukden at the beginning of 1949. It was precisely as a result of Acheson's "steadfast position," the author stresses, that "the U.S. Government and especially the President" did not allow "the United States to become involved in a war" in Asia (pp 15-16).

But all of the author's statements are of an a priori, unsubstantiated nature and are not corroborated by any kind of sound facts.

It is indicative that when the author examines the effects of the international situation on U.S. policy in China, she adheres to the worst traditions of anticommunism and reduces the entire matter exclusively to the idea of an "international communist conspiracy" and of the presence of a "single monolithic bloc of communists, headed by the Soviet Union," which supposedly "wants to destroy" the "free world," headed by the United States, by force (p 27). This, the author says in distress, played a fatal role in the elaboration of Truman-Acheson policy in China and led to the U.S. refusal to recognize the Chinese communists, although Mao, as Tucker points out, actually had "strong nationalist feelings" and objected to "Soviet domination." Tucker repeats the many anti-Soviet lies about Soviet "pressure" on China and about Soviet "threats" and "demands," referring to works by such authors as John Gittings, D. Horowitz, E. Clubb and others. Tucker agrees completely with them that the "nationalistic communism in Asia, which could have been isolated from

Moscow, would have been a valuable ally in later plans to curb Soviet expansion" (p 32).

The author presents an extremely detailed account of the far from new facts about the U.S. attempts to establish relations with the CCP even in Roosevelt's time and tells about the "Dixie mission" in Yanan, about Zhou Enlai's intention to invite U.S. Secretary of the Treasury H. Morgenthau to Yanan and about his frank suggestion that G. Marshall cooperate with the CCP. "Of course," Zhou Enlai said, "we will lean toward one side, but how far we lean will depend on you"--that is, on the United States (p 45). Tucker also writes about J. Service's conversations with Mao Zedong, about Mao's pro-American statements, about the Chinese leaders' attempts to meet with F. D. Roosevelt and so forth.

The author corroborates statements made in several earlier works by American researchers about the CCP's great desire to cooperate with the United States and about the willingness of the Chinese communists to "put themselves in U.S. hands" if the American reaction to the Chinese problem should be positive and if representatives of the American Government should approve of the CCP's position (pp 46, 228). Tucker needed to repeat all of these facts to imply that the policy of the Chinese communists toward the United States was supposedly just as "favorable" in 1949 as in 1944-1945. For example, she writes about contacts between CCP leaders and American diplomats, such as the unofficial and "completely friendly" meeting between Huang Hua, Zhou Enlai's assistant, and U.S. Ambassador J. L. Stuart (Huang Hua's former instructor at Yanjing University) in Nanking in May 1949, and tells of the special message Zhou Enlai sent to U.S. military attache D. Barrett at the end of May that same year on the expansion of CCP economic and commercial ties with the United States and of the contacts between the PRC minister of industry and trade and E. Clubb to discuss the same topic (pp 42, 48).

It is indicative that even these facts are served up by Tucker under an "anti-Soviet sauce." For example, she writes that CCP contacts with American officials in Shanghai in January 1950 confirmed the strong impression of many American observers that "the moderate faction in the CCP was afraid of Russian control" and that "nationalists in the CCP might oppose the Stalinists" (p 54).

Tucker's account of the last stages of the Kuomintang regime is also biased. She writes that the pressure exerted by Kuomintang nationalists on the United States became much stronger after the establishment of the PRC on 1 October 1949 and that the United States "could not avoid" some forms of "cooperation with the nationalist regime against the communists," particularly the blockade of the Chinese coast and the "selective bombing of communist targets--for example, Shanghai" (pp 73-74).

After revealing the openly antipopular policy of the United States and the anti-Chinese actions of President Truman in this way, Tucker suddenly asserts that the United States "took an evasive position" on the issue of the blockade, but then she admits that "American planes dropped American bombs" in the water off Shanghai (p 74). Therefore, the author's own position on U.S. policy is extremely evasive and vague.

Analyzing the activities of the China lobby in the United States, which had announced a "crusade" against people's China, Tucker mentions the names of several American Sinologists whose views agreed with those of the lobbyists-- D. N. Rowe, W. McGovern, K. Wittfogel, K. Colegrove and J. Taylor (pp 257-258); the author lists the former head of the Far Eastern division of the U.S. State Department, S. Hornbeck, and H. Stassen among the lobbyists (p 93).

As for the missionaries, the majority of those who were in China after the establishment of the PRC in 1949, Tucker says, favored the cessation of aid to Chiang Kai-shek and the recognition of the popular government, although there were also many opponents of the communist regime. Nevertheless, the author writes, Chinese communists and American missionaries in China "lived and worked together" from January 1948 to June 1950 (p 111).

The author's analysis of the position of the U.S. business community is also of interest. Tucker stresses that the financial center of the China lobby made a "great contribution" to the anticommunist pressure exerted on the Truman Administration. Large segments of the U.S. business community, however, were considering the "advantages of political and commercial contacts with communist China" and were generally in favor of its recognition, also with a view to the pro-American position of the CCP leadership, which, as they hoped, would "solicit American assistance" in the restoration of China's ruined economy (pp 112-113). The main reason for the American businessmen's position, according to the author, was the fact that American firms in China did not want to leave China and "hand Chinese trade over to Russia and their English rivals." At the same time, the author reveals the political aspect of this problem by pointing out the business magnates' wish to use commercial contacts with China to "oppose Moscow" and "cause the Chinese people to give up communism" (pp 130-131).

In an examination of the role and influence of the media and the American public in the U.S. decision on the China issue, Tucker quotes the journalists who publicized Mao Zedong's "fervent nationalism" and reported that "Mao became a leader in spite of Moscow and not because of it" (p 149).

Tucker's account of the struggle in the U.S. Congress is obviously tendentious. She feels that the senators and congressmen displayed "indifference to Chinese affairs" and that only the bloc made up of the China lobby and influential economic circles "tried to obstruct administration programs." Tucker effectively admits that the Truman Administration was unable to convince the legislative branch that "it was right" about China, because the White House and the State Department always considered European affairs to be more important than U.S. interests in Asia.

In the early 1950's, McCarthyism played the decisive negative role in the matter of the recognition of the PRC, the author writes, by strengthening the position of the pro-Kuomintang bloc in the U.S. Government, which used McCarthy to slander and persecute undesirable researchers and diplomats (p 167).

Acheson, Tucker says, made extensive use of the services of Sinologists in policymaking on China. For example, the "white paper" on China was edited by P. Jessup and N. Pepper from Columbia University.

In October 1949 the State Department organized a conference on U.S. China policy, attended by J. Fairbank, O. Lattimore, E. O. Reischauer, N. Peffer, G. Wienecke, A. Holcombe, H. Quigley, D. Taylor and others. The overwhelming majority of experts advised the recognition of communist China and trade with it, in the belief that "only through presence in China can the United States hope to reduce the Soviet influence there" (p 169). Tucker makes special mention of the role of O. Lattimore as the leading expert on China of that time, a man with extensive contacts with officials, who insisted that it would be impossible to "ignore the fact of the victory" of the Chinese communists.

The author also discusses the views of Fairbank in detail. Fairbank was another active promoter of the recognition of the PRC and of contacts with the Chinese people. "Our non-recognition of China," Fairbank said in December 1949, "will put an 'iron curtain' between the United States and China" (p 170).

But the U.S. administration did not pay any attention to the opinions of leading Sinologists. The State Department and White House, Tucker explains, were "proponents of the Atlantic orientation." Truman and Acheson "did not have the knowledge to understand China," the China question was "extra baggage" for them, and their main concern consisted in "defending the nation against communist intrigues" (p 174). Tucker goes on to briefly describe all of President Truman's actions, beginning with spring 1945, which makes even the biased reader realize that Truman's policy was of a clearly defined anti-communist nature, and he was a firm supporter of the Kuomintang (p 175). But even here Tucker tries to justify and whitewash Truman's behavior. The author writes that the President had supposedly taken an anti-Kuomintang position by the end of 1949, since, by approving the National Security Council proposal on economic and political aid to the nationalists, he allegedly "excluded the possibility of military aid" to Chiang Kai-shek. In fact, as Truman's own subsequent comments (January 1950) indicated, he kept the military assistance fund for the Kuomintang intact and merely announced its temporary "non-use" (p 186).

Tucker also tries to protect Acheson. She praises his rhetorical statements about the U.S. "policy of non-intervention" in Chinese affairs and justifies his decision "not to hurry" so as "not to give the democratic government cause for provocation."

The so-called "policy of non-intervention" in Chinese affairs was actually chosen because American politicians "expected a Soviet-Chinese conflict" and, to be more specific, tried to provoke and push China into this kind of rift. Acheson's chief aim was to "separate the CCP from Moscow" (p 193).

In conclusion, Tucker writes that the events of the Korean War in June 1950 "buried all hopes for the normalization of American-Chinese relations within the foreseeable future," but she does not say whose fault this was, she deliberately distorts the facts about how the war in Korea was started with the help of the United States, she blames the DPRK, the PRC and, what is most important, the Soviet Union, she feels that the United States was completely justified in using military force and sending the Seventh Fleet to the Taiwan Strait and so forth. In other words, her ideas agree completely with the

official doctrine of the American Government. In this new effort to defend Truman and Acheson, Tucker is an outright hypocrite, "playing" at objectivity, as is often done by other American researchers of the bourgeois-liberal current, of which N. B. Tucker is also a member.

Therefore, although there is no question that Tucker has based her study on a great deal of material (and some of it is quite new), there is nothing new about it from the standpoint of her general outlook and fundamental position. This issue--the reasons why America "lost" China--was the subject of many American books before Tucker's in the late 1960's and in the 1970's and 1980's, and she is actually "rehashing" what other authors have said. Tucker's attempts to "whitewash" Truman and to argue that the policy of the Truman-Acheson administration toward China was "peaceful" and "soft" are groundless and do not stand up to criticism.

Tucker's book is another attempt to convince the Chinese of American imperialism's traditional "friendly feelings" toward China, an attempt to prove that the United States was never China's enemy.

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FUTURE SINO-SOVIET RELATIONS: U.S. VIEWPOINT

Moscow FAR EASTERN AFFAIRS in English No 3, Jul-Sep 85 pp 100-106

[Article by Yu. M. Ryakin]

For understandable reasons, the state of and prospects for Sino-American relations are constantly within the ken of the US political and academic communities which are evolving foreign policy most suitable to Washington's interests. This is precisely the aim behind the activities of the Atlantic Council of the United States, an influential "non-governmental" "independent" organisation financed by tax-free donations from individual corporations and various funds which employs international policy experts, diplomats, and politicians. Its job is to prepare practical recommendations on foreign policy issues for the White House and the Congress. Though unofficial, these recommendations are a fairly accurate and full reflection of political sentiments current in influential US circles.

Work on the "China project", an authoritative study of Sino-American relations, made it essential to create within the Atlantic Council a special body, the Committee on China Policy, which, in turn, prepared the paper under review.¹ According to a statement by Kenneth Rush, Chairman of the Atlantic Council, the "project" was aimed at defining "for the United States a policy that the American public, the Executive, and the Congress could endorse, and that our friends and allies would support as contributing to global stability and their own security" (p. X.).

This objective of great magnitude was matched by sweeping preparations sparing no time, effort, or funds. For example, work on the project was underway as early as December 9, 1980, when the Council directors made the decision to launch it. The Committee employed high-ranking politicians and diplomats, authoritative sinologists and political scientists, military experts, as well as experts from Western Europe, Japan and South Korea. Its members got an opportunity to make two trips to China in 1982 and 1983, to visit many Asian and West European countries, as well as to hold consultations in academic and political quarters close to NATO.

According to the Committee's Director, prominent US diplomat Alexis Johnson (former US Ambassador to Thailand, Japan, and Czechoslovakia, former Under Secretary of State and Chief of the US delegation to the Strategic Arms Limitation Talks), its proceedings were arranged in the following way. Experts submitted 25 separate research documents dealing with various aspects of China's domestic and foreign policies, the state of its economy and defence, the course of Sino-American relations, etc. These documents were used by George R. Packard, Dean of the School of International Studies at John Hopkins University, as a basis of sorts in producing the so-called Policy Paper which contains an analysis of the present-day state of relations between the USA and the PRC and recommendations to the US administration as to what political cour-

¹ *China Policy for the Next Decade*. Report of the Atlantic Council's Committee on China Policy. U. Alexis Johnson, Chairman; George R. Packard, Rapporteur; Alfred D. Wilhelm, Jr., Project Director; with Foreword by Kenneth Rush, Boston, 1984, 445 pp.

se should be conducted in relation to China in the ten years between 1983 and 1993.

A draft of the Policy Paper was presented on June 30, 1983, to the Committee's members for discussion and subsequent agreement on the text. Johnson, Packard, and Senior Fellow of the Atlantic Council Alfred Wilhelm studied all remarks and proposals and took them into account while editing the final text of the Policy Paper which reflects Committee members' consensus point of view. According to the above three men, their "policy recommendations ... are in the best interest of the United States in its relationship with the People's Republic of China over the next decade" (p. XVIII). The present review concentrates on an analysis of the Policy Paper as the main section of the book.

In the first place, the authors of the Policy Paper sought to assess the first, i. e., the preceding decade of Sino-American relations (as they see it, the decade covers the period from the signing of the 1972 Shanghai communique to the release of the American-Chinese communique in August 1982). They admit that "in the first decade of improved US-PRC relations, both sides placed a heavy emphasis on shifting the strategic balance of power toward a more effective alignment vis-à-vis the Soviet Union, which was seen as a common threat" (p. 5). Indeed, in the 1970s, Washington did not conceal its intention to play the "Chinese card" (although it should be said that the authors of the present research make a point of avoiding this already odious phrase which, nevertheless, describes the substance of the US administration's China policy fairly accurately) so that, by establishing the necessary kind of relations with China, to bring comprehensive and strong pressure to bear on the Soviet Union and place it in a difficult military and political position internationally.

On the whole, this policy, as the authors of the research have to admit, has not brought Washington fully tangible results. Moreover, they have indirectly recognized that it has created for the USA a number of serious problems in relations with the Soviet Union and even with its own "allies and friends". The latter far from completely shared Washington's attitude towards promoting relations with Peking, fearing, as they did, that it might be conducive to the establishment of "military relationship" between the USA and the PRC, which the USSR would be forced to regard as "excessively hostile or threatening". In this connection many US allies feared that this "trend, if it continued, would prove destructive to the process of detente with the Soviet Union, which had blossomed in the 1970s" (p. 6).

On the whole, such an assessment of American policy vis-à-vis China in the preceding decade may be recognised as sufficiently precise.

In view of the inadequate efficiency of such a course, the Atlantic Council suggested that a new, alternative China policy should be pursued in order to secure for the United States decisive advantages in the current decade.

The Atlantic Council holds that the opportunities for this line to be perfected may be found in a certain shift of emphasis in American policy towards China and a transfer of the centre of gravity to an appropriate type of economic relations with Peking. Apart from the lessons of the past decade, this tactical drift has been prompted by economic reforms underway in China and by explicit Chinese interest in developing ties with the West for the purpose of economic modernisation.

This circumstance has led certain influential circles in the West to hope for a favourable shift in the world alignment of forces. For example, the authors of the Policy Paper have called on Washington to work with all available means for "China's economic growth within international economic institutions and legal frameworks. The time has come for the United States, working in close concert with Peking and with our

friends and allies, to seize this opportunity both in our interest and in the interest of the Chinese" (p. 6). American interests, as presented by the authors of the Policy Paper, consist in the following: "An economically growing, secure, and modernising China can be an important trading partner [for the United States.—*Yu. R.*], a stable counterweight to the Soviet Union, and a valuable contributor to peace and stability in Asia and the world" (p. 6). So, according to US experts, for "economic prosperity", or to be more correct, the development of economic ties with the West, China may and must be made to pay a high price: it should establish itself within the American policy of force (which, to be sure, remains a US asset) as a "counterweight" to the Soviet Union and contribute to "the world's stability" American style. Naturally, these calculations are far removed from the genuine "interests of the Chinese".

Proceeding from the above political calculations, US experts consider it expedient for the USA to "help" China with "more effective and realistic planning and project management" and to render it assistance in promoting economic ties with the West by involving it as much as possible in the economic mechanism of the "free world".

In other words, the task is to tie China to the capitalist system economically and to influence its economic progress in the direction of an erosion of socialism. Moreover, some experts even think it superfluous to trouble with verbal disguise. For example, Jeffrey Gayner, Counselor for International Affairs, the Heritage Foundation, said peremptorily that "... the United States should only encourage major economic investments and more liberal trade terms with the Chinese if we have some greater assurance than at present that their economic system will change significantly away from their Soviet legacy. Much greater movement in the direction of decentralisation and the use of incentives must be encouraged. It would be both futile and even counterproductive to assist a system that remains structurally unsound" (pp. 45-46).

On the whole, Gayner differs from the authors of the Policy Paper only in that he is more unceremonious in spelling out the terms of US economic "cooperation" with China.

The Atlantic Council experts put forward what they consider to be three most probable scenarios of political developments in China in the period between 1983 and 1993:

The first scenario assumes that the present leaders or "their like-minded successors" remain in power and "exercise maximum efforts" to modernise the country by pursuing "pragmatic policies leading to modest economic progress despite huge difficulties". They are fully confident that "China would remain relatively open to international influences [meaning Western influences.—*Yu. R.*] as a condition of modernisation and would move only marginally toward the Soviet Union while maintaining fairly close ties with the United States" (p. 16).

The second scenario considers various difficulties, problems, and economic setbacks which, taken together, "would present the party leaders with crisis after crisis, leading to the weakening of central control and the emergence of varying degrees of regional independence" (p. 16).

The third scenario is based on the assumption that "faced with setbacks in their effort to modernise and in their foreign policies, the party would turn to repressions" and harsh discipline and would look for a way out in bureaucracy and increased "recentralisation in politics and economics. The ideologues would defeat the technician-managers". Given this turn of events, "relations with the United States probably would be cut back, as China would possibly move closer to the Soviet Union. Security and stability would be threatened in Asia" (p. 17). US experts also believe that a combination of the second and third versions is possible.

What catches the eye in an analysis of these forecasts is above all a mixture of subtle pragmatic calculations and sheer propaganda motives. For example, after drawing a highly unattractive picture of a China that is weak, torn apart by inner contradictions, "bureaucratic", and "unstable" in its domestic and foreign policies, US analysts claim that precisely "this" China would be closer to the Soviet Union. The "other" China, a stable, developing, and "modernising" one would be closer to the USA. The conclusion suggested by US foreign policy makers is utterly obvious: "Stable political leadership, committed to modernisation through rational, pragmatic policies" is most desirable as far as Washington's interests are concerned. Firm contacts should be established with it while supporting its positions in the country with a series of well-thought-out actions in economic, political, scientific, and other spheres.

Potential economic and scientific and technical cooperation between Washington and Peking is contingent on a number of stringent requirements related to the main directions of the Chinese leaders' domestic and foreign policies and strictly defined sympathies, as described above. The main condition prompted by Washington's social and class position is the evolution of Chinese society towards the erosion of the foundations of socialism in the country. But even in this event, US experts keep emphasising, trade exchange and scientific cooperation with China, as well as the transfer of modern know-how to it, etc., should be phased in under the US administration's control, ruling out the slightest threat to US political and economic interests. In other words, the USA's readiness for economic cooperation with China is prompted by far from altruistic motives. Washington is prepared to help the "modernisation" of China strictly within the limits of its anti-socialist, anti-Soviet and hegemonistic policy.

Moreover, maintaining economic ties with China makes Washington believe it has a right to demand that Peking comply with a number of clearly defined terms. Thus, according to Atlantic Council experts, China must understand that "continual hectoring of the United States or inflammatory public statements on specific issues can only irritate American officials and public alike. The tendency to lump together the United States and the USSR in terms of hegemonic policies or threats to peace and the sharp attacks on American policies in the Third World (even when they objectively serve Chinese interests by eroding Soviet influence) should be held in check" (p. 25).

But some participants in the "project" do not fully subscribe even to this. The afore-mentioned Gayner, for example, clearly expressed sentiments current in the United States when he said that in response to American readiness to cooperate, the Chinese should, to a greater extent than now, respect "US vital interests, such as in Central America. Moreover, they should not back revolutionary movements that are primarily supported by the Soviet Union" (p. 46).

Therefore, in Washington's view, Sino-American "understanding" as a pledge for cooperation between the two countries implies constant Chinese 'loyalty' with respect to its partner, ruling out even minimal criticism of US actions. This amounts to a demand to unconditionally follow in the wake of Washington's policies, at least in regions where, according to the latter, Chinese interests are not directly affected.

While paying much attention to economic and political aspects of US-Chinese cooperation between 1983 and 1993, the Atlantic Council experts keep returning to its power aspect. Doing justice to its "strategic value", they seek to flush out the main parameters of military and political cooperation, its limits, and the spheres in which it will be most efficient from the point of view of US interests.

US experts invariably narrow down "strategic relations" with China to gaining global advantages over the Soviet Union. Indicating that

"the Sino-Soviet rift has brought about a favourable change in the alignment of forces in the world" they deem it necessary for the USA to prevent "unfavourable" shifts in Sino-Soviet relations. The Committee expressed the conviction that for the USA the "Sino-Soviet rivalry was useful for a number of reasons" of military and political nature and called on the US government to avoid pushing China into a resumption of close relations with the Soviet Union or the relations of rivalry with the United States or with its allies (p. 27). Whatever the case might be, Committee experts claim, it is important for the USA to retain its military presence in East Asia and the Pacific.

At the same time, the USA and the PRC are faced with the task of balancing their common interest in "geopolitical cooperation" in such a way as to prevent China from perceiving it as "dependence" (p. 19).

The limits of military-political cooperation between the USA and the PRC are outlined in the following manner: "...Our bilateral defence relationship should be characterised by a modest amount of defence cooperation, when and if asked by Peking, rather than by large and rapid substantive contributions to a Chinese military buildup. The strategic contribution of Chinese forces (i. e., the degree to which they offset Soviet military power) is not likely to expand greatly in the near term whatever we do, and the risks of entering into a closer relationship [with China.—*Yu. R.*] or of assuming the trappings of an alliance outweigh any potential gains" (pp. 28-29).

In practice, military-political cooperation, according to US experts, should consist of the following: exchange of political and diplomatic signals, occasional official military consultations; a limited exchange of intelligence information; notification of military exercises and the invitation of observers; cooperation in the sphere of military training; an exchange of naval visits; and an exchange of some information about developments in third countries. On the whole, such cooperation is already taking place, and on a fairly large scale at that.

In addition, the authors of the Policy Paper indicate geographical regions where opportunities for military-political cooperation between the United States and China are far from being exhausted, such as Indochina and Afghanistan, where a "coordination of policies is desirable" (p. 27).

The Policy Paper says that the decade covering the period from February 1972 to August 1982 is marked by a "radical" improvement in Sino-American relations, which, however, has not resolved the Taiwan problem. Indeed, in the matter of Taiwan, American diplomacy has found itself trapped in a vicious circle of sorts. On the one hand, Washington is aware that progress in Sino-American ties will be hampered as long as the Chinese people's national aspirations remain unfulfilled, with China's sovereignty over Taiwan in abeyance. On the other, the United States cannot tackle the Taiwan problem in accordance with Chinese interests for a number of social, class, military-political, and economic reasons. The Policy Paper has fully reflected this official US position. Its authors' smooth academic arguments are structured in such a way as to encourage PRC partners, but by all means to avoid "offending" Taipei. In fact, the authors are clearly in favour of preserving the "two Chinas" arrangement that suits the US perfectly.

Having drawn the main outlines of US China policy, the authors of the Policy Paper proceed to give the White House practical recommendations on how it should be implemented.

Formally, the "policy recommendations" are subdivided into "general ones" and those related to bilateral Sino-American contacts, i. e., recommendations of a more concrete nature.

Within the framework of the "general recommendations" the authors of the Policy Paper call on the United States to develop a "sound, long-

term posture" vis-à-vis China aimed at promoting cooperation with the PRC, bearing in mind the fact that it "shares some, but not all" of Washington's global and regional objectives, "particularly in Asia and the Pacific" (p. 42). They insistently advocate the idea that in the light of progress in American relations with China and other countries in the region, the USA should maintain a "strong military presence in East Asia and the Pacific." As is known, American military presence is widely employed to create a permanent threat to the Soviet Union and other socialist Asian countries, as well as to bring pressure to bear on Washington's "friends and allies". The US military presence in East Asia and the Pacific is very important as an element of force in Sino-American relations, too.

The authors of the Policy Paper suggest that Washington should learn from its China policy of 1972-1982, have more consultations on all issues related to Sino-American ties with its own allies and take greater heed of the security and economic interests of Japan, South Korea, ASEAN, ANZUS, and the "population of Taiwan" (a characteristic euphemism!). They insistently recommend that the US government has constant consultations with NATO allies on the issues of cooperation with China.

For example, in the sphere of bilateral relations, the authors recommend that the White House should always remain aware of the fact that "the United States and China share certain geopolitical objectives (such as opposing Soviet expansionism), that make cooperative efforts in various forms possible" (p. 43). They point out in this connection that American and Chinese objectives in Afghanistan are "similar", while those in the Korean Peninsula are "parallel". Moreover, US experts suggest that the White House should look for potential areas of cooperation with China in other parts of the world, such as the Middle East and Southern Africa, where both Washington and Peking should seek out "common interests" (p. 43). In the current decade they recommend that the US administration widen the basis of this cooperation by promoting economic, scientific, technical, and cultural ties between the two countries and engaging in "common efforts" to strengthen "stability in Asia" (understood, to be sure, American-style), etc.

US experts propose that both countries—the United States and China—should be particularly attentive to the problem of "mutual understanding" and take specific features of their "political systems" into consideration. The implementation of this proposition, according to the authors of the Policy Paper (they reproduce almost verbatim the provision of its general part), means the following: "US officials should make it clear that Chinese rhetorical excesses [against US policy.—Yu. R.] only serve to undermine support in the United States for strengthening US-PRC relations and complicate US diplomacy on international issues" (pp. 43-44). By way of "mutual understanding" Peking ought to clearly realise that in exchange it cannot expect the same attitude from the United States as a "democratic" country and that anti-Chinese comments (for example on the Taiwan problem) will continue.

The authors recommend that between 1983 and 1993 the US government should engage in broader economic cooperation with the PRC by developing trade, granting export credits, and making direct investments in the Chinese economy. In so doing, the USA, the Policy Paper stresses, should "encourage China to create a favourable climate for US enterprises". US experts hold that the USA can transfer to China advanced know-how, but only in the event that the latter gives Washington firm guarantees and joins international economic organisations operating under Washington's tutelage. They believe it even necessary for the United States to help China with the industrialisation. Yet "industrialisation" should proceed under US control, something that will exclude its being used for

military purposes which run counter to the American "national interests".

While developing relations with the PRC, influential forces in the USA urge that Soviet-American relations be always kept in view. The authors of the Paper, too, deem it necessary that at the talks with the Soviet Union on "strategic and intermediate range nuclear missiles, both the United States and the PRC should be sensitive to the possible interests and concerns of the other" (p. 45).

For propaganda reasons the United States occasionally announces that it would "welcome" the normalisation of Sino-Soviet relations. The authors of the Policy Paper follow the same line. They recommend that Washington should not consider a possible improvement in Sino-Soviet relations as contradicting the national interests of the United States. In the context of their general approach to the development of Sino-American relations, this assertion looks like a sheer propaganda move intended to disguise the true motives of the authors of the Policy Paper.

It was, perhaps, most difficult for the experts to give the White House a recommendation on the Taiwan problem. In effect they have called for the preservation of the "two Chinas" situation, confining themselves to the general wish that this problem be resolved peacefully by "the Chinese on both sides of the strait", advising the US government to avoid encouraging either side to take a "particular solution", and to insist that "the use of force be avoided". But even this position came under criticism from the most conservative members of the "project". The latter demanded a more pronounced expression of sympathy with Taipei and spoke in favour of giving it support, including by supplying it with arms. For example J. Gayner, mentioned above, announced, in this connection, that "only a secure and confident Taipei will be able to deal effectively and equitably with Peking" (p. 46).

In summing up, it should be noted that the position of the authors of the Paper under review and the influential forces standing behind them essentially boil down to a desire to map out a foreign policy aimed at securing American hegemony in international relations and at undermining the positions of the Soviet Union, other socialist countries, and world socialism as a whole. They suggest using Sino-American relations arranged along definite lines in order to implement these plans.

Therefore, US strategic line remains unchanged. The tactical evolution of Washington's China policy, as proposed by the Atlantic Council, is nothing more than an improvement of it. This implies renouncing, to some extent, the straight-forwardness of the US approach to China, recognising the need to combine military-political "cooperation" with economic pressure on the PRC, attempting to influence internal political developments in China, and enlisting greater assistance of the United States' allies for its course vis-à-vis China. The White House is already following practically all of these recommendations.

Washington's plans to draw China into its schemes run counter to the vital aspirations of the Chinese people. It is not only a matter of the USA continuing to keep to an anti-Chinese stand on many issues of importance to China, such as Taiwan. The whole of its approach to the PRC, as a partner bound to operate within the framework of strategy prescribed by Washington is substantially anti-Chinese. The provocative attempts to interfere in Sino-Soviet relations are totally hostile to the interests of the Chinese people and the interests of peace and security in Asia. Finally, the desire to erode the foundations of socialism in China is at loggerheads with the interests of the Chinese people.

STATEMENTS, LETTERS OF SUN YATSEN

Moscow FAR EASTERN AFFAIRS in English No 3, Jul-Sep 85 pp 107-113

[Selected letters and telegrams from 2d edition of "Selected Works of Sun Yatsen," revised and supplemented, Moscow, 1985]

Nauka Publishers' Oriental Literature Department has brought out a second, enlarged and revised edition of selected works of the great Chinese revolutionary democrat Sun Yatsen, who enjoys a great reputation in the USSR as an outstanding national-liberation leader and a true friend.

In Sun Yatsen's many years of persistent struggle to rid China of foreign imperialist domination and its own feudal shackles, he became convinced that hopes for the capitalist countries' selfless assistance to China's national and social liberation had been groundless. It was the impact of the Great October Revolution's ideas and the upsurge of the anti-imperialist and anti-feudal struggle in China itself that led Sun Yatsen to work out the only sound strategy and tactics for China's liberation under new historical conditions. "His historical achievement", writes Academician S. L. Tikhvinsky in a preface to the second edition of Sun Yatsen's selected works, "is that he boldly raised the flag of the struggle against imperialism and feudal reaction and became the first bourgeois politician in Asia to accept the offer of his country's communist party to mobilise all national forces to fight these enemies. Sun Yatsen was profoundly aware of the need to make a close alliance with the Soviet Union. He was an ardent advocate of Soviet-Chinese friendship and the rallying of all peoples oppressed by imperialism around the Soviet Union, the standard-bearer of the peoples' national liberation struggle" *

The following statements, letters and cables written by Sun Yatsen date from the last few years of his life.

**16 September 1923.
Sun Yatsen's Cable
to L. M. Karakhan¹**

I am deeply moved by your generous appraisal of my constant friendship with New Russia, and I assert that no amount of criticism of the ideology that you advocate can or could prevent the two of us from agreeing that our countries' real interests call for the elaboration of a common policy which would enable us to live in equality with the other powers and would free us from political and economic slavery imposed by the international system which is backed by force and which uses the methods of economic imperialism.

* Sun Yatsen, *Selected Works*, 2nd Edition, Moscow, 1985, p. 5 (in Russian).

¹ Sun Yatsen's cable was an answer to L. M. Karakhan's cable of 8 September 1923 (See *USSR Foreign Policy Documents*, Vol. VI, Moscow, 1962, p. 435).

You are right in feeling new confidence when seeing expressions of sympathy and hospitality accorded to you upon your arrival in China. I am convinced that my compatriots sincerely wish your mission a success; particularly in the matter of the Soviet Government's official recognition. But your main difficulty stems from the fact that you have to negotiate with a political group which, besides the fact that it does not absolutely represent the Chinese people, has lost even the semblance of being a national government; its diplomacy, in reality, is governed less by China's vital interests as an independent and sovereign state, than by the wishes and instructions of certain foreign powers.

You saw a graphic example of this Chinese subservience to foreign interests at the reception given in your honour by the Peking delegate appointed to negotiate with you. He suggested that Soviet policy should be patterned after American policy, and you rightly responded that "Russia will never follow America's example and will not sign a document such as the Linchen Note. Russia will never demand extraterritorial rights or capitulations, neither will it set up courts or administrative bodies on Chinese territory. Russia renounces all concessions and privileges encroaching on the Chinese people's sovereignty or national interests. In its relations with China Russia asserts the principle of total and absolute equality."

On behalf of the Chinese people I must hail and thank you for this memorable lesson in political realism taught to that obedient servant of Peking's present masters.

SUN YATSEN.

Source:
USSR Foreign Policy Documents.
Vol. VI, pp. 435-436 [in Russian]

17 September 1923—
Sun Yatsen's Letter
to L. M. Karakhan²

Dear Comrade Karakhan,

I hereby confirm receipt of your most valuable message, which was conveyed to me during my stay at the front, where I conferred with my military commanders. This should explain the short delay in the dispatch of my cable which I sent yesterday. I am attaching a copy of the cable for your reference.

It goes without saying that you can rely on my support in advancing the cause of your present mission in China. However, you will find it extremely difficult to negotiate with the Peking group, which, in its relations with Russia, does nothing but fulfil the Embassy Quarter's *mot d'ordre*³. Ch. T. Wang's suggestion that you should follow America's example is a clear indication of the source which will guide him in his talks with you.

I have no doubt that Peking will try to make the official recognition of the Soviet Government conditional upon terms which America and other capitalist powers will determine as a sort of *quid pro quo* for their recognition of any new administration headed by Cao Kun.

In the event that you find that negotiations with Peking on terms which, without prejudice to the Chinese people's sovereign rights, would put New Russia in a position of international equality with other foreign

² Sun Yatsen's letter was in reply to L. M. Karakhan's cable of 8 September 1923. (See *USSR Foreign Policy Documents*, Vol. VI, p. 435).

³ A slogan (Fr.), here used in the meaning of "order".

powers to be utterly hopeless, you might consider the possibility of coming to Canton for negotiations with my new government, which is presently being formed, rather than returning to Moscow empty-handed. The capitalist powers will try to use Peking as an instrument of inflicting a new diplomatic defeat on Soviet Russia. But always bear in mind that I am prepared and now have the means of crushing any attempt to humiliate you and your government.

Sincerely yours SUN YATSEN.

Source:
USSR Foreign Policy Documents.
Vol. VI, p. 436 (in Russian)

Cable to the Representative
of Soviet Russia in Peking
[24 January 1924]

Mr. Karakhan, Soviet Russia's representative in Peking,

I thank you for your cable of cordial congratulations to the National Congress of Guomindang.

The congress' aim is to continue and complete the revolution begun in 1911, and thus to secure China's liberation, ridding it of militaristic and imperialist oppression. We have come to understand that weak and divided, but infinitely rich in resources, China is Asia's Balkans and it may spark a universal conflagration in the decade to come, whereas a unified and liberated China is the best, if not the only, guarantee of peace in Asia and the world.

The congress confidently counts on the sympathy of all free peoples, and is grateful to the Russian people, the first to express this sentiment. Both peoples, the Chinese and the Russian ones, will henceforth walk together along the road of freedom and justice.

On behalf of the National Congress of Guomindang I send fraternal greetings to our great neighbour, Soviet Russia.

SUN YIXIAN

Source: Sun Yatsen.
Selected Works.
2nd. Ed. M. 1985, p. 37

On Lenin's Death⁴ [25 January 1924]

We have just been informed by Russia's representative that the head of the Russian government, Lenin, died the day before yesterday. This news has filled us with the deepest sorrow. We are going to send a message of condolences on behalf of the congress, but before putting the matter to a vote, I would like to say a few words.

Although the Russian revolution began after the Chinese one, it was the Russian which triumphed first. Its great successes, unprecedented in the history of the world revolutionary movement, were achieved due to the selfsacrificing struggle led by the leader of the Russian revolution, Lenin, thanks to his masterly organisation of this struggle. Lenin was the great organiser of revolutionary victories, the genius of the revolution and an outstanding example of a revolutionary. And now Lenin is no more. What thoughts are evoked by his memory, and what lessons can be drawn from his life's work? It seems to me that China's Revolutionary Party can learn a useful lesson. Its meaning is that we must strengthen the foundation of our party and make it as strong and well organised as Russia's revolutionary party. This is precisely the aim of

⁴ Speech at the 1st Guomindang Congress.

the present congress. Will the death of Russia's leader, Lenin, affect the situation in your country and in international life? I don't think so, because the power of Lenin's ideas, his combative spirit and everything that he stood for are embodied in the party. Although Lenin has died, his spirit is alive. This is a most instructive lesson for us!

I am the author of the idea of three popular principles and the founder of China's revolutionary party. Although our revolution has scored some successes, they were all due to the use of armed force. The revolution has not been accomplished precisely because the party itself is not sufficiently strong and because its members do not observe party discipline; every one acts as he sees fit. Although members have not been blindly loyal to the old traditional morality, they have not been inspired with the new ideals of freedom either. I wanted to reorganise our party already at the time I had found refuge in Japan after our second defeat, but I failed because our comrades were completely demoralised. They believed that since we had been defeated even though we had won power, there could be no question of a revolution in China any more. I spent a great deal of time and effort trying to make them change their minds, but the result was the same: they still believed that at least 20 years would have to pass before one could talk of a revolution in China.

Then I had to place the onus of preparing the revolution on myself and organise the Chinese Revolutionary Party from scratch. Its members were requested to swear complete allegiance to me. This was necessary in the light of setbacks in the past and the fact that new ideas had not yet taken root in the country, and hardly anything could be done without my personal guidance. Now, ten years later, you have grown used to this. There are some who feel that the current transition from individual leadership to collegiality is not quite practicable. But it must be realised that times have changed. When our comrades lost heart, there was nothing for me to do but assume personal responsibility for the revolutionary cause. Today we have many young men and women armed with new ideas; people are politically mature. Nobody feels any longer that a revolution in China is possible only 20 years hence; on the contrary, the people find that we are too slow in advancing the revolutionary cause. That is why the aim of the current reorganisation is greater unity in the party which will increase its strength and bring victory closer in accordance with the people's aspirations.

When I was in Japan I intended to reorganise the party but could do nothing precisely because I did not know how to go about this. Now we have the Russian model. Although we cannot exactly copy it, we must follow its spirit, and this will teach us how to win. The essence of the present reorganisation is that it is designed to delegate to others the enormous revolutionary responsibilities which I formerly had to fulfil alone. I hope that all of you will join in the struggle, and our party's destiny will no longer depend on me alone, just as the future of Russia's revolutionary party will no longer depend on Lenin. This is my ardent wish.

I propose to send a cable to Moscow, on behalf of our congress, expressing condolences upon Lenin's death, and I am putting the matter to a vote. The government has already issued instructions to fly flags on administrative buildings at half-mast for three days. Our congress, too, will adjourn for three days, during which time I will deliver a lecture on the principle of "nationalism" every afternoon. I have already given a lecture on this subject to the students of the teachers' training institute, and it will take two or three lectures more to complete the course. Certainly, an in-depth presentation of material would require much more time. In the meantime I will take the opportunity of our adjournment to present the highlights of the theme within three days. After the congress

you will use the material for propaganda purposes. As for the principles of "people's power" and "people's welfare", there is simply no time to explain them now. Subsequently, as soon as I complete my course of lectures, they will be published in pamphlet form and mailed to you.

Let me now ask Mr. Borodin, Russia's representative, to tell us about Lenin's life and work. Mr. Wu Chaoshu will act as an interpreter. After that we will proceed with the vote.

Source: Sun Yatsen, *Selected Works*.
M. 1964, pp. 416-418

Cable on the Occasion
of Lenin's Death (25 January 1924)

In connection with departure of great V. I. Lenin from the turbulent life of Soviet Russia, I beg you to convey my deep condolences to your government. Lenin's name and memory will live on. People will henceforth cherish in their hearts the heroic traits of his personality, which made him the greatest political figure and a leader of monumental creative force. His works will never die either, for they expound social ideas which will certainly win the hearts and minds of generations to come.

SUN YIXIAN

Source: Sun Yatsen, *Selected Works*.
M. 1964, p. 419

16 February 1924.
Sun Yatsen's Letter
to G. V. Chicherin

The Republic of China
Government Headquarters
Canton

16 February 1924

Dear Comrade Chicherin,

Thank you for your very interesting letter of last December 4. You are quite right in your description of my party's main goal—to create a powerful movement of the Chinese people, revolutionary and creative at the same time, for which organisation and propaganda are necessary. We are now working vigorously towards this goal; we hope to do in China what your party has succeeded in achieving in Russia, namely to create a new concept of state and of new methods of administration.

For this reason we would like to ask you and other comrades for advice and assistance. In this connection let me express my profound gratitude for the good offices of Comrade Borodin in the reorganisation of Guomindang. His assistance was invaluable, and his visit was obviously a momentous event.

Let me congratulate you warmly on the notable victory of Soviet diplomacy in obtaining a *dé jure* recognition of your government by Downing Street. Indubitably, a great deal remains to be done to harvest all the fruits of this victory. Your triumph over Cursonism will lead to new diplomatic triumphs.

Comrade Lenin's death was a deep sorrow for me. It is fortunate, however, that your party's work rests on a broad foundation, as a result of which the death of our Great Comrade will not affect the firm structure erected by your strong hands.

I welcome your proposal to continue our contacts. We must do this not only for the sake of exchanging ideas, but also possibly for coordi-

nating our efforts in the common struggle in the world arena. Please accept my best wishes for your government. Fraternally yours, SUN YATSEN.

Source: Sun Yatsen. *Selected Works*.
M. 1964, pp. 569-570

24 February 1924.
Sun Yatsen's Statement
on Lenin's Death

In the Republic of China's 13th year, in the month of February, my friends and I have come to pay tribute to the memory of Lenin, Russia's late leader. The many centuries of world history have seen thousands of leaders and scholars who had nothing but beautiful words on their lips which were never translated into reality. You, Lenin, are an exception. You not only spoke and taught, you also translated your words into life. You created a new country. You showed us the road of joint struggle. You met thousands of obstacles which I must also overcome. I want to follow the path you took, and although my enemies are opposed to this, my people will welcome it. You have died, the heavens have not prolonged your days, but, a great man, you will live for centuries in the memory of oppressed peoples.

Source: Soviet-Chinese relations. 1917-1957.
Collected Documents.
M. 1959, p. 79 (in Russian)

The Republic of China
Government Headquarters
Canton

12 September 1924.
Sun Yatsen's Letter to L. M. Karakhan

12 September 1924

My Dear Comrade Karakhan,

Tomorrow morning I am leaving for Shaoguan, but before I do, I want to send a short note to tell you that I fully agree with all the theses of your masterly assessment of the current situation in China as presented in your letter of 11 July.

You will see from my Manifesto, made public on 1 September, and from an interview published on 8 September in the supplement on the Boxer Protocol to the *Canton Gazette* (I am attaching copies of these documents), that the time has come for an open struggle against world imperialism in China. In this struggle I turn to your great country for friendship and support to help liberate China from imperialism's powerful grip and restore our political and economic independence.

I will write to you in greater detail in the near future. In the meantime, please accept my fraternal greetings and best wishes of good health.

Sincerely yours,

SUN YATSEN

Source: Sun Yatsen. *Selected Works*.
M. 1964, p. 571

A Message to the Soviet Union
(11 March 1925)

Dear Comrades, members of the Central Executive Committee of the Union of Soviet Socialist Republics.

I am afflicted with an incurable disease. My thoughts are now with you, with my party and my country's future.

You head a union of free republics. This union of free republics is the real heritage which the immortal Lenin bequeathed to the world of oppressed peoples. Drawing strength from this heritage, the peoples languishing under imperialist oppression will defend their freedom and liberate themselves from the existing world order which from time immemorial has been based on slavery, war and greed.

I leave behind a party and hope that the Guomindang, completing its historical task of liberating China and other countries which have fallen victim to imperialist aggression, will work together with you.

As fate has willed I must leave my life's work uncompleted and turn it over to those who held our party's principles sacred and instruct and organise my loyal colleagues. That is why I command the Guomindang to continue its national liberation efforts so as to help China rid herself of the yoke with which the imperialists have degraded it to a semi-colonial status. To reach this goal, I commanded the party to cooperate closely with you. I am firmly convinced that your government will continue its support for my state.

Dear comrades! Parting with you, I would like to express my ardent hope that the dawn is near. The time will come when the Soviet Union will greet a mighty and free China as its best friend and ally, when in the great battle for the freedom of the world's oppressed nations the two countries will move forward side by side and win.

With fraternal best wishes,

SUN YIXIAN

Source: Sun Yatsen. *Selected Works*.
M. 1964. pp. 556-557

Sun Yatsen's Will [11 March 1925]

I have given forty years of my life to the national revolution to give China freedom and equality. My experience in these forty years has firmly convinced me that to reach this goal it is necessary to awaken the masses and to struggle in alliance with the peoples of the world which treat us as equals.

Even now the revolution is not complete. In order to bring it to completion, my colleagues must continue their vigorous activity in accordance with my "Plan for Building the State", "A General Programme for the Building", "Three Popular Principles" and "The 1st All-China Congress Manifesto"⁵ It is particularly important to implement my recent demands on the convocation of a National Assembly and the abrogation of unequal treaties as quickly as possible.

Such is my last will and testament,

SUN WEN

Source: Sun Yatsen. *Selected Works*.
M. 1964, p. 555

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CSO: 1812/9-E

⁵ The reference is to the 1st All-China Guomindang Congress.

CHINESE WORKING-CLASS MOVEMENT: 60TH ANNIVERSARY MARKED

Moscow FAR EASTERN AFFAIRS in English No 3, Jul-Sep 85 pp 115-124

[Article by T. N. Akatova, doctor of historical sciences, and O. B. Alekseyeva:
"The Revolutionary Traditions of the Chinese Labor Movement (On the 60th Anniversary of the All-China Federation of Trade Unions)"]

Sixty years ago, the 2nd All-China Congress of Trade Unions, which was convened on the significant date of May 1, 1925, the Day of International Proletarian Solidarity, created the All-China Federation of Trade Unions (ACFTU). China's first ever CPC-led association of workers, it emerged with direct help from organisations of international proletarian solidarity. On behalf of the ACFTU, the Congress decided to apply for membership in the Red International of Trade Unions. This event of momentous historical significance was preceded by the young Communist Party of China's hard and dedicated work to unite and lead the proletarian masses. The Party's programme called for the masses to step up their struggle for national and social liberation as much as possible and to join the world wide anti-imperialist struggle and international proletarian solidarity. ACFTU, created as it was on the platform of proletarian internationalism, played a major role in the development of the working-class and communist movement and the entire revolutionary process in China.

The formation of the ACFTU—which took place shortly before a powerful upsurge in the revolution of 1925-1927 (the "May 30 movement")—was very much a reflection of the spirit of the times. The radical changes in the social and political evolution of China which became manifest after World War I and the Great October Socialist Revolution in Russia were focussed in this event.

The Xinhai revolution and, later, World War I seriously changed the life of China. The war-time lapse in European economic expansion on China created favourable conditions for the development of national industry. At the same time, Japanese capital—which had been vigorously penetrating Chinese industry—was quick to avail itself of this opportunity. Intensification of industrial production led to considerable growth of the Chinese proletariat and to its greater concentration in the country's economic centres. China's bourgeoisie also grew in number and strength and was worried over the domination of foreign capitalists who had hastened, immediately after the end of the war, to bolster their positions in China.

These serious socio-economic shifts—which had put in bold relief the difficulties of historical progress in a country suffering from foreign oppression and many remnants of feudalism in all spheres of social life—foreshadowed the intensity and strength of the influence that Russia's Great October Revolution had on China.

Chinese society was confronted with the urgent task of choosing their own route to national liberation and uniting the country. It also had to radically change the mode of its economic and political development. All previous attempts to find this way, primarily those by Sun Yatsen whom Lenin in 1912 had described as a "revolutionary democrat endowed with

the nobility and heroism,"¹ had failed. The influence of the October Revolution forced Sun Yatsen to renounce his illusory hopes that after the war the imperialist powers would give up the policy of enslaving China and would help it develop its natural wealth and revive it economically and politically.² "To follow the Russian way" was the decision of Sun Yatsen and the revolutionary democrats he led.

Influenced by the victory of the Great October Revolution, China's revolutionary democratic intellectuals developed a growing interest in the working class's status and its role in the struggle to transform society. The best representatives of the progressive Chinese intelligentsia advanced new ideas about the proletariat's important historical mission which made inroads in the disdain for physical labour and the working people nurtured in the course of long centuries. For example, in his article "The New Era" of January 1, 1919, Li Dazhao linked the advent of a new era with the future victory of the working class in China and the world over.³ The new post-October period laid the groundwork for the subsequent spread of Marxism in China and for a merger of scientific socialism with the working-class movement. This was the consequence of the proletariat's growing ranks and maturity.

The first act that signalled the emergence of the young Chinese working class onto the scene of political struggle was its massive involvement in the powerful patriotic "May 4, 1919 Movement". This anti-imperialist movement that sent tremours throughout the country was an outburst of protest against growing Japanese expansionism and the arbitrary actions of the imperialist powers which dictated to China the humiliating terms of the Versailles Peace Treaty. It served as a starting point for a rapid growth in working-class activity within the nationwide anti-imperialist campaign. It also helped enhance the working class's socio-political role and marked the birth of its militant revolutionary traditions.

The budding working-class and communist movement received a considerable impetus following the formation, in March 1919, of the Communist International (Comintern), and in July 1921, Profintern (the Trade Union International). Already in the spring of 1920, Comintern began giving direct practical assistance China's revolutionary patriots. Comintern put in tremendous efforts to help implement in China the main principles of Lenin's strategy for a national revolution: the development of an independent working-class movement, the Chinese proletariat's development into an organised political force and the vanguard of national revolution, the creation of a genuinely proletarian communist party which would lead workers and peasants, and the establishment of a firm union with the international working-class and communist movement. Even prior to their unification in a single party, the first communist societies conducted revolutionary propaganda among the workers, set up the first primary schools for workers, and founded working-class periodicals, such as *Laodong jie* (*The World of Labour*) in Shanghai and *Laodong yin* (*The Voice of Labour*) in Peking. These activities went on amid the most difficult conditions generated by the arbitrary rule of military authorities and opposition from foreign employers. The only exception was Canton which was under the Sun Yatsen government. In the spring of 1920 the revolutionaries succeeded in organising the May Day celebration in Peking, Shanghai and Canton. It should be noted that from 1920 on, the custom of observing the day of international proletarian solidarity spread increasingly across the country with every passing year. Later, the May Day celebrations were joined by important anniversaries of events in the

¹ V. I. Lenin, *Collected Works*, Vol. 18, p. 165.

² For details see Sun Yatsen, *Selected Works*, Moscow, 1946, pp. 22-26 (in Russian).

³ Li Dazhao, *Selected Articles and Speeches*, Moscow, 1965, pp. 82-86 (in Russian).

history of the Chinese working-class movement, such as February 7 (the shooting of railwaymen of the Peking-Hankou railroad), May 4 (in memory of the May 4, 1919 Movement), May 30 (in honour of the May 30, 1925 Movement), December 11 (the anniversary of the Canton uprising of 1927), etc.

Along with these, the Chinese working class and the revolutionary peasantry began observing major events in the international working-class movement, such as March 18 (in memory of the Paris Commune), November 7 (the anniversary of the Great October Socialist Revolution in Russia first celebrated during a red flag demonstration in Guangzhou in 1925) and other events.

It was not easy to draw Chinese workers into trade unions organised on a class basis. China's working class was young and consisted mostly of people involved in the most primitive forms of capitalist production or in handicrafts and trade. Industrial workers made up less than one per cent of the population and included a large portion of women and children. They all had characteristic traits that distinguished the rest of the workers: their numbers were unstable, they had firm links with the countryside and returned many guild and parochial prejudices, displayed low cultural levels and almost complete illiteracy. All of this created obstacles to the development of class consciousness and class organisation of the Chinese workers. At the same time they were particularly keenly aware of foreign oppression and their feeling of national indignation was a powerful factor (the so-called national factor) which rallied all sections of the workers. More than all other classes and groups of Chinese society, the industrial workers saw foreign imperialism as a source of national and social oppression. The interaction of social and national sentiment underlying the working-class movement made it the most resolute force in the anti-imperialist struggle.

As demonstrated by the entire history of the working-class movement in China, what the industrial proletariat lacked both absolutely and relatively in numbers, was, to some extent, compensated by its geographical and industrial concentration. In the 1920s, the course of history itself brought the Chinese proletariat to the forefront of the anti-imperialist struggle. Its organisation and struggle immediately moved into the focus of attention of Comintern and Profintern, organisations of international proletarian solidarity. The Communist Party of China, formed in 1921, played a tremendous role in the progress of the Chinese working-class movement; the party considered the organisation of the proletariat and leading its struggle for national and social liberation to be its main goals. The All-China Secretariat of Trade Unions set up by communists trained union leaders and organised workers in the major industrial centres. It is indicative that the newly-formed CPC, which had no more than 60 members, sent almost half of them to conduct educational and organisational work among workers.

China's old-time supraclass associations, such as corporations, guilds, and communities seriously hindered the creation of class-based trade unions. Corporations and guilds, which operated in trade and handicrafts protected the interests of an industry or a profession amid heated competition. Communities were quite influential and widely-based organisations of persons with common roots in one province or county. With workers holding but an inferior place in them, the guilds were ruled by most propertied elements, such as entrepreneurs, contractors, foremen, and dealers.

Step by step communists, the organisers of the working-class movement overcame resistance from the leaders of the old corporations who were intent on preserving their influence on the working masses; they dispelled myths about the employers' and entrepreneurs' "charity", illustrated

with graphic examples the full measure of exploitation to which working people were exposed by their richer compatriots, and argued in favour of purely working-class class-based associations. The emergence of new trade unions was facilitated by an upsurge in the strike movement; the workers' involvement in this movement made clear the need for an independent organisation of their own. The biggest strike of the period was the well-known sailors' strike in Hong Kong of January-March 1922. For the first time ever a working-class action became a major event in the nationwide anti-imperialist struggle, rather than in labour movement alone.

The recommendations of the 1st Congress of the Peoples of the Far East, held in Moscow on January 21, 1922, were of much importance in the CPC's work to draw workers into class-based unions. The Congress described the Chinese revolution at that stage as a bourgeois democratic and anti-imperialist one and advised the CPC to cooperate with the national revolutionary party, Guomindang, while working at the same time for independence and setting up class-based trade unions. In keeping with these recommendations, in the spring of 1922, the CPC convened the 1st All-China Congress of Trade Unions. On the force of agreement reached with the Sun Yatsen government the Congress was held legally in Canton. The class-based trade unions at that time were not sufficiently strong and many delegates represented old-type trade unions but the Communists managed to have the Congress adopt two important resolutions—one on rendering aid to the striking workers and another concerning the industrial and sectoral principle of the unions' structure. The old trade unions were organised by trade; consequently, several independent narrowly-specialised groups (such as mechanics, weavers, dyers, etc.) might be operating at a single factory. This splintered the workers and impeded their struggle. The Congress's endorsement of the industrial principle was quite significant. The emergence at each enterprise of a single industrial union was to promote the traditions of class solidarity. It was decided to begin preparations for the creation of an All-China Federation of Trade Unions. The Congress, therefore, instructed the All-China Secretariat of Trade Unions to establish organisational contacts with Profintern⁴. For its part, the Executive Bureau of Profintern issued an appeal "To the Workers of China" on May 2, 1922, calling on them to join the world proletariat's struggle.⁵ Thus, the 1st All-China Congress of Trade Unions expressed the young CPC's desire to work for the unity of the Chinese proletariat and its union with the world working-class movement. It was decided to hold the next congress exactly a year later. Yet it was not for another three years that it became possible to call the 2nd All-China Congress of Trade Unions. This period witnessed events of vast historical importance which radically changed the alignment of political forces and precipitated the development of a revolutionary situation.

The first eruption of the working-class movement in January 1922-February 1923 took place against the background of a nationwide pre-revolutionary upswing. What became apparent in the process was that the success of the workers' strikes depended on the support of the progressive public, including material help from members of the national bourgeoisie. It was revealed with equal clarity that Chinese reactionaries and the forces of international imperialism in China sought to suppress harshly the revolutionary Chinese proletariat. For example, the authorities in Hunan province in early 1922 executed the leaders of the Changsha textile strike. In the autumn of 1922, a miners' strike at the Kailuan collieries which actually belonged to British capital was cruelly repressed and British sol-

⁴ See *Documents of All-China Congresses of Trade Unions*, Peking, 1957, pp. 5-6 (in Chinese).

⁵ See *Red International of Trade Unions*, 1922, No. 4, pp. 387-388 (in Russian).

diers killed and wounded many Chinese miners. But the heaviest blow to the working-class movement and the CPC was dealt after the suppression of the Peking-Hankou rail strike in February 1923. Openly conniving with foreign consuls, Wu Peifu authorities drowned the strike in blood. Over 40 workers were killed, hundreds wounded, and more than one thousand sacked. The Communist strike leaders were publicly executed. Comintern highly appreciated the strikers' great courage and heroism. The Comintern Executive Committee's special appeal to them read: "In your struggle and sacrifices in the last strike you have joined the class of the world proletariat fighting against exploiters in all the countries of the world". The Executive Committee stressed the importance of the struggle for trade union liberty and expressed the confidence that the Chinese would not let drop the "red banners of the working class".⁶

The overthrow of the Peking-Hankou strike showed that the forces of reaction and imperialism acting in concert were far superior to the forces of the as yet loosely organised working class and its still numerically weak Communist vanguard (the CPC had less than 200 members). Faced with an offensive by the reactionaries, the All-China Secretariat of Trade Unions had to go underground and the organisation of class-based unions became an extremely complicated affair. Some CPC members felt pessimistic, lacking faith in the strength of the Chinese proletariat as the Party's social base.

Under these circumstances China saw the emergence of the world's first united anti-imperialist front with Comintern's comprehensive support. The CPC's strategy to form a united front with Guomindang signified that the Party encouraged the Chinese proletariat's utmost involvement in nationwide anti-imperialist activities and its efforts to solve the revolution's general democratic tasks. In keeping with Leninist doctrine, the Comintern stressed that in an oppressed country the proletariat's class interests proper did not contradict the national tasks of an anti-imperialist struggle. The CPC-led revolutionary struggle confirmed the correctness of this proposition. The way to the social liberation of the Chinese proletariat lay in the national liberation, unification and democratisation of the country.

The Leninist strategy of the united front administered in China was designed to promote the political role of the working class and its communist vanguard, rather than simply to rally all of the oppressed nation's forces capable of fighting imperialism. The united front made sense only under two conditions, the first being the establishment of close links with the international proletariat, and the second—the creation of opportunities for progress and consolidation of the working-class and communist movement in China itself.

The united national anti-imperialist front was given the status of an organisation at the 1st Guomindang Congress in January 1924 which gave a powerful impetus to the revolutionary situation. Guomindang decided to work out labour legislation and to promote working-class organisation. The legal working-class movement came to life with an élan in Guangdong province controlled by the Canton government. The victory in the summer of 1924 of an anti-imperialist strike at Shamian (the area of foreign concessions near Canton), which had the support of the Sun Yatsen government, and strikes at British-owned textile factories in Qingdao and Shanghai in early 1925 indicated a resurgence of the working-class movement in the country. In January 1925, the 4th CPC Congress focused on the tasks involved in organising the proletariat and turning it into a vanguard and the leading force of the national revolution under CPC leader-

⁶ *Pravda*, March 5, 1923.

ship. The Congress decided to prepare for the 2nd All-China Congress of Trade Unions which the CPC considered exceptionally important.

The 2nd All-China Congress of Trade Unions opened in Canton on May 1, 1925. Its delegates represented over 500,000 organised workers. It is noteworthy that the 1st Congress of Peasant Representatives of Guangdong province was held at the same time. The delegates of both Congresses, working people and soldiers of the revolutionary army staged a 100,000-strong May 1 demonstration in Canton. The Congress' main achievement was the creation of the All-China Federation of Trade Unions which joined Profintern. A manifesto adopted by the Congress stressed the importance for the Chinese proletariat to establish a leadership together with the peasant masses and to form a fighting union in common struggle with the world proletariat.⁷ The Executive Bureau of Profintern reacted by welcoming the Chinese trade union's joining the "international family of working people".⁸

The Congress endorsed the composition of the ACFTU Executive Committee. The leading posts went to Lin Veimin, chairman, Liu Shaoqi and Liu Wensong, deputy chairmen, Deng Zhongxia, General Secretary and head of the propaganda department, and Li Qihan, organisational department head. Thus, outstanding CPC figures became leaders of the ACFTU.

The newly-formed ACFTU immediately found itself in the centre of revolutionary developments. The famous "May 30 Movement" that arose in Shanghai in 1925 was the beginning of the revolution which shook China between 1925 and 1927. The Chinese proletariat's leading role in this revolution is generally recognised. The bright pages of the Chinese workers' revolutionary struggle in 1925-1927 went down in the history of the world working-class movement. It was at this period that the best revolutionary traditions of the Chinese working class—its boundless heroism, selflessness and scorn for the superiority of the revolution's enemies, its great creative initiative, staunchness and revolutionary enthusiasm in the struggle for the people's natural interests—emerged and manifested themselves with tremendous force. Its deep hatred of the country's foreign enslavers and lofty feelings of patriotism were combined with its desire for international proletarian solidarity. The CPC, adhering to the platform of internationalism, tried to make maximal use of the experience of the world proletariat and the Chinese working class's revolutionary potential and to enhance its socio-political role.

Communist-led working-class actions were central to the nationwide revolutionary struggle. They boosted the workers' unions and their international ties. The international proletariat, primarily the working people of the Soviet Union, gave both the CPC and the CPC-led ACFTU comprehensive help and support.

Soviet aid to revolutionary China was sincere; the Soviet people watched selfless struggle of the Chinese workers with hope and admiration and sought to facilitate it by sending material aid and sharing the experience of their own difficult, if victorious, struggle. It was no accident that in a letter sent to the All-Union Central Council of Trade Unions at the beginning of the revolution in the summer of 1925, the ACFTU noted the tremendous importance of aid and moral support the Chinese workers were getting from Soviet working people.

The Chinese proletariat's combat spirit and fine revolutionary traditions were clearly demonstrated during the Shanghai armed uprisings, the climax of the 1925-1927 revolution. A Profintern appeal urging the inter-

⁷ See *The Working-Class Movement in China. The Revolution of 1924-1927. A Collection of Documents of the Trade Union Movement and Other Materials*, Moscow, 1966, p. 50 (in Russian).

⁸ *The Red International of Trade Unions*, 1925, No. 25, p. 123.

national proletariat to make a stand in defence of the Chinese revolution, highly appraised the feat of the Shanghai workers.⁹

Thus the 1925-1927 revolution helped to vividly demonstrate the Chinese proletariat's revolutionary potential and shape the best traditions of its selfless heroic struggle. The working class introduced its own methods of struggle and organisation in the nationwide struggle and imparted to it true democratism, scope and militancy.

The ACFTU was very active during the revolution. It held two all-China trade union congresses (the 3rd in 1926, and the 4th in 1927).

The counter-revolutionary coup staged by Guomindang in 1927 and its anti-communist terror in subsequent years dealt a heavy blow to the revolutionary core of the working class and to CPC cadres in industrial centres. Conditions for the development of the working-class and communist movement changed radically. CPC attempts to start anti-Guomindang workers' armed uprisings in the cities met with devastating defeat. Under these circumstances, the CPC, following Comintern's advice, set about creating its own armed forces and support bases in localities. Yet the bases managed to survive only in out-of-the way provincial backwoods, far from big cities and industrial proletariat.

The Guomindang used everything in its capacity to bring the working masses under its control and to neutralise CPC influence and the desire for world proletarian solidarity. Its working class policy was sophisticated and flexible. The Guomindang held that turning the working class into a docile tool and securing "harmony" and "class peace" in relations between labour and capital could be achieved through concessions to the working class in what concerned its vital economic interests, and also through terror and sweeping demagoguery. To the great honour of the Chinese working class, it should be noted that despite all its efforts, Guomindang failed to achieve its goals over the long years of its rule.

All that time Guomindang had to exert its energies and spend considerable material resources to "regulate" the working-class movement. In spite of all prohibitions, the workers' economic struggle did not stop, "class peace" proved to be an unattainable Utopia, and Guomindang-sponsored trade unions kept going out of control.

Until the mid-1930s, the ACFTU—which united the Communist-led underground red trade unions—operated underground. The revolutionary trade unionists displayed the greatest heroism and selflessness in their struggle against the Guomindang regime and tried to boost patriotic proletarian action. Despite all these difficulties, the ACFTU invariably had the support of the organisations of international proletarian solidarity. The destinies of the Chinese revolution and the Chinese working class were always in the focus of attention of Comintern and Profintern. The 6th CPC Congress, convened on Comintern's initiative in the summer of 1928, focused on the issues of the working-class movement. Following the adoption by the Congress of the "line of struggle for the masses" the CPC consolidated its leadership of the proletariat. This made it possible to call the underground 5th All-China Congress of Trade Unions. It opened on November 7, 1929, an anniversary of the Great October Revolution. Although not strong numerically, the ACFTU was full of resolve to bolster the CPC's influence on the working masses in order to merge the working-class struggle with the CPC-led Red Army and to establish a revolutionary union between the working class and the peasantry. The spirit of international proletarian solidarity reigned supreme at the Congress. The ACFTU stated that although the Chinese working class had found itself in extremely difficult conditions under Guomindang rule, it was not alone, and that in response to its June 12, 1928 plea for help, Profintern staged

⁹ *International Working-Class Movement*, 1927, No. 16, p. 4 (in Russian).

a large-scale campaign in support of the Chinese workers' struggle.¹⁰ A Special Commission was set up for rendering help to China which included representatives of Comintern, Profintern, International Workers' Relief Society, the Hands-Off China Society and many other public organisations.

It was not until 19 years later that the convocation of the next, 6th, All-China Congress of Trade Unions and the restoration of the ACFTU became possible. The Congress was held in August 1948 at Harbin, a major industrial centre in the Manchurian revolutionary base. In its message of greetings to the Congress, the CPC Central Committee called on the working class to unite in struggle in order to topple "the criminal domination of American imperialism and the reactionary Guomindang group and to establish an independent, free, prosperous and united Chinese people's democratic republic".¹¹ It concluded its greetings by expressing confidence that the Congress would successfully cope with its main task and stressing the historical significance of the glorious traditions of the working-class struggle.¹²

The victory of the popular revolution in 1949 substantially changed the situation of the working class in China. The tremendous task of rebuilding the disorganised economy and effecting radical social changes required an active involvement of the working class. The CPC understood this and made every effort to draw it actively into the political and socio-economic effort. "Reliance on the working class is the main line of the Party work in cities," said the resolution of the March (1949) Plenary Meeting of the CPC Central Committee¹³.

The Party and the unions directed their efforts primarily at strengthening workers' organisations, building up their influence on the bodies of power and administration and suppressing petty-bourgeois and reformist influences and trends.

The all-China conference of trade union workers held in July and August 1949, elaborated the basic principles and guidelines for trade union activities. It was laid down that the trade unions should be based on the industrial principle. It was agreed that signing collective agreements between workers and enterprises and controlling their implementation were one of the important tasks. The conference deemed it necessary to promote democracy within the unions, to enlist workers' help in running industries, to enhance their control of them and to protect the interests of the working people. The conference called for a study of the Soviet experience in trade union organisation.

The first major advances in the trade union movement were formalised by the Trade Union Law of the PRC, adopted in June 1950, which endorsed the participation of workers in running state-owned and cooperative enterprises through committees of workers' control given the right to hear management's reports at working conferences. The law stipulated that working conditions at private factories should be the same as at state-owned enterprises and dramatically reduced opportunities for exploitation.

Despite tremendous difficulties, CPC-supported Chinese workers managed to train and sponsor a definite number of trade union organisers. The ACFTU Executive's report to the 1953 All-China Congress of Trade Unions said that during the last few years trade union schools alone had trained 111,000 professional trade unionists, 107,000 worker activists had assumed positions in the CPC apparatus and state bodies, 124,000 workers

¹⁰ *Documents of All-China Congress of Trade Unions*, Peking, 1957, pp. 114, 260-261 (in Chinese).

¹¹ *The Working-class Movement in China, 1945-1949. Documents and Materials*, Moscow, 1969, p. 122.

¹² *Ibid.*, p. 122.

¹³ *Druzhba*, Feb. 21, 1957.

had been given administrative jobs and promoted to engineers or technicians, and 7,800 had become factory directors or deputy-directors.

In the period immediately following the formation of the PRC, the CPC-led working class had to tackle new special tasks in the class struggle such as suppressing resistance and sabotage by the now overthrown exploiter classes and the remnants of Guomindang bands, exercising leadership over semi-proletarian and petty-bourgeois elements in the cities and the countryside and organising labour in a more advanced way.

By 1952, owing to the heroic work of the Chinese people, primarily of the working class, and to fraternal aid from the USSR and other socialist countries, the Chinese economy, devastated by many years of civil war and foreign intervention, became operative again. The PRC set about to implement its first five-year economic development plan (1953-1957). The Chinese people, primarily the working class, launched an enthusiastic campaign to meet plan targets. The workers' massive involvement in socialist emulation was indicative of the working class spirit of patriotism. The trade unions played an important part in promoting socialist industrialisation. In May 1953 the 7th Congress of Trade Unions called on industrial and office workers to build up the scale of the emulation drive and persistently and systematically study the Soviet experience. By keeping up socialist emulation drive, the working class and its trade unions managed to lead the broad masses of working people to labour, enthusiasm, and creative initiative. Over the four years of the five-year-plan period the number of front-rank workers nationally reached 2,600,000. The movement of advanced workers used Soviet industrial experience and mutual aid.

As Sino-Soviet trade union ties developed, the Soviet experience in organising socialist emulation such as the Stakhanovite movement, was closely studied and broadly introduced in China.

Another feature of those years that considerably boosted industrialisation was the rationalisers' and innovators' movement. In 1954, financial gains from 103,000 innovative proposals, technical improvements, and inventions amounted to 174,300,000 yuan, and in 1956—200,600 proposals brought in an additional 241,900,000 yuan.¹⁴ The best traditions of the Chinese working class—internationalism, the desire to consolidate the unity of the international trade union movement, and cooperation with the All-Union Central Council of Trade Unions—were preserved and carried on by the ACFTU in its foreign policy activities in the period between 1949 and 1957.

A factor adding to the growing prestige of the ACFTU at that time was the Chinese trade unions' campaign to promote world peace and cooperate with the World Federation of Trade Unions and the unions of socialist countries.

The progressive world working-class and trade union movement unanimously welcomed the Chinese revolution and the formation of the PRC. The 2nd World Congress of Trade Unions (June-July 1949) sent a message of greetings to the "heroic trade unions and the working class of China".¹⁵ PRC trade union representatives were elected to the guiding bodies of the World Federation of Trade Unions (WFTU) and the International Association of Trade Unions (IATU). The Trade Union Conference of Asia and Oceania held in Peking in November-December 1949 was a graphic manifestation of the solidarity of the progressive international trade union movement with the Chinese revolution and the formation of the PRC.

The progressive international trade union movement invariably opposed the aggressive policies of imperialism in relation to China. The support

¹⁴ See *The Working Class of China (1949-1974)*, Moscow, 1949, p. 30 (in Russian).

¹⁵ *Resolutions of the Second World Congress of Trade Unions*, Moscow, 1949, p. 30 (in Russian).

of the Chinese revolution by the World Federation of Trade Unions, the unions of the USSR and other socialist countries, and their solidarity with the working class and the trade unions of the PRC were of historic significance for the young People's Republic of China. For their part, PRC trade unions actively supported the World Federation of Trade Unions. This support manifested itself in actions of solidarity with the WFTU's efforts to maintain world peace, defend working people's and trade union organisation's rights and to protect its own unity against reformist trade union leaders' dissenter and subversive activities. The 6th All-China Congress of Trade Unions held in August, 1948 sent the WFTU a telegramme which said: "The Congress unanimously decided to firmly support the World Federation of Trade Unions, and to invariably pursue its principles of struggle for democracy and peace, and for the unity of the working-class movement".¹⁶

The WFTU Liaison Bureau for Asia's activities in Peking between 1950 and 1956 vividly demonstrated the spirit of cooperation and mutual aid between Chinese trade unions and the World Federation of Trade Unions.

The ACFTU also actively participated in the movement of Asian peace supporters. In 1950 the Chinese trade unions and other public organisations set up a committee to aid in the struggle against US aggression in Taiwan and Korea. ACFTU representatives were actively involved in the preparation for and convocation of Peking conference of peace supporters from the countries of Asia and the Pacific in October 1952.

The literacy campaign of the early 1950s was extraordinarily important for working class's political and social progress. Towards the end of 1956, the country had a total of 10,000 secondary evening schools for industrial and office workers with a student body of over 5,000,000. During the years of the first five-year-plan period, 2,200,000 industrial and office workers learned to read and write, nearly 900,000 completed primary education, and approximately 170,000 finished secondary schools.¹⁷

The growth of the workers' class consciousness between 1950 and 1957, was, without a doubt, promoted by an atmosphere of moral and political enthusiasm in society, due to the Party's policy of building socialism, and strengthening fraternal solidarity and friendship with the peoples of the USSR and other socialist countries, as well as by wide-scale industrialisation and other measures to raise political, cultural and educational levels.

The onset of the "cultural revolution" spelled the end of the All-China Federation of Trade Unions and other public organisations. Most workers did not accept the "cultural revolution" that was marked by massive encroachments on the working people's vital interests. There were mass-scale workers' protests against the "cultural revolution" and *hongweibing* outrages as early as from spring to summer 1966.

The 9th All-China Congress of Trade Unions (October 1978) the first one after the "cultural revolution", restored the All-China Federation of Trade Unions. According to data provided by the 10th All-China Congress of Trade Unions (October 1983), of 112,920,000 industrial and office workers, 73,300,000 were trade union members in late 1982.¹⁸ Nowadays certain changes are being made in trade union activities, and unions are engaging in industrial organisation, cultural work, labour protection, etc.

The Congress admitted that the "pernicious stamp of the cultural revolution" had not been erased from the mentality of industrial and office workers, and that they were affected by the demoralising influence of bour-

¹⁶ *The Working-class Movement in China, 1945-1949. Documents and Materials*, Moscow, 1969, p. 148.

¹⁷ *The 8th All-China Congress of Trade Unions. Materials and Documents*, Moscow, 1958, p. 266 (in Russian).

¹⁸ *Renmin ribao*, Oct. 27, 1983.

geois ideology. In this connection, ACFTU Rules adopted by the 10th Congress urged the trade unions to "educate industrial and office workers in the spirit of patriotism, collectivism, socialist and communist consciousness".¹⁹

The Rules say that the Chinese trade unions "concentrate... on the implementation of the programme of four modernisations"²⁰. Today, trade union publications stress that trade unions should be involved in raising the quality of production and production efficiency, and improving factory operations.

For this reason, ACFTU leaders are calling on trade unions to follow the fine traditions of socialist emulation and the movement for introducing rational methods of production.

Much attention is being focused on the organisation of socialist emulation. In December 1978, the ACFTU passed a resolution On "Promoting Socialist Emulation," and in March 1980 the ACFTU Executive devised and endorsed honorary titles, such as Best Worker, Front-Ranking Industrial Worker, and Shock-Labour Collective. A nation-wide socialist emulation was begun in the early 1980 in some industries, such as textiles, construction, etc. In 1984 it spread to the oil industry, involving nearly 1,000,000 persons.

The Chinese workers' movement, as the PRC press admits, has yet to solve tremendous tasks in defending the interests of the working class and upholding its revolutionary traditions in the struggle against bourgeois ideology.

The Soviet working class has always been a great friend of Chinese workers. Soviet trade unions together with all people in the USSR support the CPSU's line towards improving relations with the People's Republic of China. In its message of greetings to the ACFTU on the occasion of the latter's 60th anniversary, the All-Union Central Council of Trade Unions said: "Soviet trade unions believe that a positive development of relations between the USSR and PRC would meet the interests of both countries, as well as the cause of socialism, strengthening of peace and international security".²¹

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¹⁹ *Ibid.*, Oct. 24, 1983.

²⁰ *Ibidem.*

²¹ *Trud.*, April, 30, 1985.

CHINESE REVOLUTION IN THE 1920'S

Moscow PROBLEMY DALNEGO VOSTOKA in Russian No 2, Apr-Jun 85 (signed to press 24 May 85) pp 137-143

[Article by B. M. Zabarko, candidate of historical sciences: "International Workers' Relief and the Chinese Revolution in the 1920's"]

[Text] In 1921 a mass organization of proletarian solidarity, the International Workers' Relief Organization (IWRO),¹ was created on the initiative of V. I. Lenin and the Comintern to mobilize the world proletariat to assist the nation of Soviets in its struggle against hunger and devastation and in the restoration and development of the first socialist country's national economy. After this noble international task had been fulfilled successfully, the IWRO became, under communist supervision, a permanent militant organization of "genuine international proletarian solidarity for fraternal assistance to millions of workers during strikes or at other times of need."²

In addition to supporting the USSR, protecting it from imperialist encroachment, publicizing its successes and achievements and supporting strikes and the antifascist and antiwar movements in capitalist countries, supporting the national liberation movement of people oppressed by imperialism and instilling them with the spirit of proletarian internationalism were exceptionally important international functions of the IWRO. The directives adopted on 1 December 1924 at a meeting of the organizational bureau of the Comintern Executive Committee (CIEC) charged the IWRO with the task of "conducting propaganda campaigns to strengthen the solidarity" of the working class in developed capitalist countries with the economically backward peoples of colonies subjected to national oppression along with rendering material assistance to the peoples of the East.³ To surmount the oppressed people's mistrust of representatives of dominant nations and to prove to the people of the colonial and dependent countries that the only road to genuine national and social liberation was anti-imperialist struggle, conducted in conjunction with the international working class, the IWRO had to convince the peoples of the East that "there is no solidarity between the European and American imperialists oppressing them and the European and American workers. On the contrary, the colonial peoples suffering from national oppression and the proletariat waging the class struggle in the capitalist countries are natural allies."⁴

The events which took place soon afterward in China gave the IWRO an opportunity to act on the Comintern's instructions.

The national liberation struggle of the Chinese people, which grew quite intense at the beginning of 1925, turned into a revolutionary storm engulfing the entire country in spring of that year, and the general strike in Shanghai, which broke out after shots were fired at anti-imperialist demonstrators on 30 May, marked the beginning of the national revolution in China. The shooting of workers in Shanghai, Qingdao and other cities, the concentration of the interventionist forces of imperialist powers in Chinese ports and the massive strikes and demonstrations aroused the interest, sympathy and support of the broadest segments of the world public, especially the revolutionary forces of the planet. The vanguard of the world proletariat, the working class in the Soviet Union, told Chinese workers in a letter that "you will not be alone in this (anti-imperialist--B. Z.) struggle--you will have the sympathy and support of workers of all countries and all those oppressed and exploited by imperialism."⁵

Immediately after the "events of 30 May," the organizations at the head of the revolutionary workers movement (the Comintern, Profintern [Red International of Trade Unions] and KIM [Communist Youth International (1919-1943)]) issued an appeal to laboring people throughout the world to express their solidarity with the Chinese people in their struggle against imperialism and to demand that the imperialist powers withdraw their troops from China. "As a counterbalance...to the united front of aggressive imperialism," the appeal said, "we must build...an invincible front of European and American workers and peasants and the oppressed laborers of the East."⁶

On 17 June 1925, after thorough discussion of the Chinese question, the CIEC Presidium sent the communist parties a telegram containing a detailed program of support for the revolutionary liberation struggle of the Chinese people by the international workers movement. The Comintern advised its sections to take all necessary measures to arouse public interest in the Chinese people's struggle for their independence and organize rallies to protest imperialist (primarily English and Japanese) intervention and to raise funds.

In spite of the refusal of social democratic leaders to take part in joint undertakings, the actions of the Comintern and its national sections helped to launch a broad international movement of world proletarian solidarity.

The laborers of the USSR were in the vanguard of this movement. Faithfully performing their international duties, the Soviet people were the first to support the national liberation movement in China and gave the people of this country the most emotional support and political, material, military and other assistance. It was all the more important because it was timely and selfless and it was rendered in spite of the fact that the rulers of imperialist powers were subjecting the still economically and militarily weak Soviet state to provocative persecution for its solidarity with the fighting Chinese people.

All of the assistance rendered by the Soviet people won them the respect of laborers in China and of millions of people in other countries, who had a chance to judge the strength of proletarian solidarity according to actions rather than declarations. It helped to make the solidarity movement in other countries broader and more active.

The IWRO made an important contribution to the organization of the international campaign of assistance and solidarity of the world proletariat and progressive intelligentsia with the Chinese people's struggle. In connection with the "events of 30 May," the IWRO Central Committee issued a proclamation "To the striking masses of Shanghai! To the laboring people of China!" The IWRO vehemently protested the murders of civilian Chinese workers and students, underscored the need to unite the national liberation movement of the Asian people with the struggle of the proletariat in capitalist countries and to form an anti-imperialist front and promised the laboring people of China "solidarity and fraternal assistance," which would "take the form of actions as well as words." The document was signed by the most prominent members of the international communist and workers movement and well-known representatives of world culture and science--K. Zetkin, S. Katayama, W. Muenzenberg, E. Fimmen, A. Barbes, B. Shaw, U. Sinclair, A. Forel and others.

An IWRO Executive Committee appeal addressed to the workers and laborers of the world--"Help the starving and striking workers of China!"--contained an accurate account of the hard life of the Chinese people under the burden of imperialist oppression to refute the lies in the bourgeois and social reformist press. Stressing the common destiny, aims and functions of the struggle of the working class in the capitalist countries and the liberation struggle of Chinese laborers, the IWRO noted that the budding solidarity movement (English trade unions sympathized with the Chinese workers and demanded that the government withdraw British troops; Soviet workers sent their Chinese brothers large sums of money; the IWRO sent a food assistance delegation to Shanghai to organize kitchens and food distribution points there, allocating 20,000 marks for this purpose as an initial contribution, and so forth) should be joined by the entire international proletariat and all friends of the fighting Chinese people. The IWRO requested its sections to collect money, food and clothing to "save the starving and help the fighters."⁷

The IWRO mobilized all of its strength to aid the thousands of strikers in Shanghai, Hong Kong and Canton. To organize the masses in the solidarity movement, the IWRO and its sections used traditional proletarian mass forms of struggle. In the very first days of June, the IWRO conducted many mass solidarity demonstrations and rallies, attended by workers, peasants and representatives of the intelligentsia from all parties, in the USSR, Germany, England, France, Czechoslovakia, Austria, Holland, Norway and other countries in Europe and America in conjunction with communist parties and revolutionary trade unions. By the middle of August 1925, more than 5 million people had attended over 1,000 rallies.⁸

In all of these countries, IWRO members and activists raised funds to aid the Chinese strikers and their families and the families of those shot by troops and police. During the first week of the campaign, General Secretary of the IWRO Central Committee Willi Muenzenberg reported in the Comintern bulletin that over 30,000 German marks, around 10,000 French francs and 10,000 Czechoslovak koronas were collected. Soviet trade unions, representing a collective member of the IWRO, contributed 100,000 rubles.⁹

When the campaign was being launched, it became obvious that the assistance of the Chinese working class would require the united efforts of the entire world

proletariat and all of its detachments and organizations and the creation of a united proletarian front for the assistance of the Chinese revolution under the Comintern slogan "Proletarians of all countries and oppressed peoples unite!" The many appeals for the assistance of the All-China Federation of Trade Unions and other labor organizations, addressed to the international proletariat and its centers, had to be responded to in actions, and not in words, as the leaders of the Socialist and Amsterdam internationals did. The situation demanded quick and united action, and the IWRO sent wires (on 18 June, 1 and 4 July, 16 August and later) to the Amsterdam International of Trade Unions (and IWRO national sections wired trade unions in their countries) to ask them to join in the support of the Chinese laboring public and in the joint solidarity campaign. All of the attempts of the IWRO and of unions and labor organizations in China and a number of European countries to involve the Amsterdam International in the "Chinese campaign" and in the creation of a united front of assistance, however, failed.¹⁰

The consistently internationalist position of centers of the revolutionary wing of the international workers movement was the direct opposite of the line of the official leaders of the reformist internationals. The Comintern, Profintern, AUCCTU and other organizations assisting and supporting the Chinese revolutionary public responded immediately to the IWRO appeal (8 July 1925) "to join...the united relief campaign," which had been launched by the IWRO, and "to ask all your sections to take part in it." By 11 July 1925 the CIEC Secretariat wired the IWRO Central Committee that the Comintern was extremely proud of the IWRO's work to generate moral and material assistance and would participate fully in its actions. "We are prepared to cooperate with any organization conscientiously rendering moral and material assistance to the Chinese working class, which is fighting for its existence and its national unity."¹¹ The Comintern asked "all workers and peasants of the world to do everything within their power to promote the IWRO campaign of assistance to the Chinese proletariat." The IWRO conducted the international solidarity campaign with the support of communists, who represented its nucleus and its militant vanguard, and of leftist social democrats, non-party members, workers and intellectuals from various labor organizations, implementing the tactic of a united front "from the bottom up."

During the campaign, the IWRO gave Chinese progressive forces organizational and political help as well as material assistance. It also established direct contact between Western and Chinese workers and transmitted experience in the organization of solidarity campaigns to the Eastern workers and peasants.

At the Third International Congress of the IWRO in Berlin in October 1924, the Chinese delegation attending the congress proposed the establishment of an IWRO branch in China after learning about the organization's activities, functions and goals.¹² The IWRO Executive Committee supported the proposal and resolved to give this country special consideration. An IWRO delegation, made up of Executive Committee member K. Mueller and Propaganda Section Chief F. Lingardt, went to Beijing on 27 May 1925 at the invitation of Chinese labor organizations to learn about the state of affairs in the country and the Chinese people's liberation struggle and to establish direct contact with them.

One of the first things the delegation did was to inform the broad laboring masses of the IWRO Central Committee's proclamation "To the striking masses of Shanghai! To the laboring people of China!" It said: "Our Chinese brothers must...know that there are millions of proletarian hearts in people of another race across the mountains and oceans who want to help you, who sympathize with you and who are prepared to fight along with you." It was published in all of the country's newspapers (and twice in some press organs). In Beijing and Shanghai copies of the IWRO proclamation in Chinese and English were pasted to the walls of buildings. It was read aloud at many rallies and meetings of Chinese laborers.

They responded by expressing their sincere gratitude to the IWRO for its solidarity with the Chinese people and for the friendly support of the "people engaged in mental and physical labor in Europe, America and Australia" (from the 12 June 1925 telegram of the Beijing scholars),¹³ which, as a message from the Central Council of the Union of Chinese Railroad Workers stressed, "strengthens us in our fight. The Chinese proletariat realizes that the final victory of the national revolutionary struggle will depend entirely on the support and cooperation of the international proletariat."¹⁴

The delegation made all of the preparations for the establishment of a national IWRO section in China. With a view to the weakness of the communist organization in Beijing, the delegation head went to Shanghai to discuss the matter with representatives of the CCP Central Committee, Comintern and Profintern. A decision was made to establish an IWRO section in China and an extensive program of action was drafted. It was on the basis of this program that the committee of the Chinese IWRO section was founded in Beijing, which relied at first mainly on the support of the local intelligentsia. On 14 August 1925 the Chinese section was declared an official member of the international organization of the IWRO Central Committee.¹⁵ The delegation spoke with the leaders of several Chinese unions and labor organizations about the organization of propaganda and agitation work among Chinese laborers and foreigners living in China, learned more about the revolutionary movement in the country and about the activities of worker, peasant and student organizations and addressed many rallies and meetings.

By demonstrating a sense of international proletarian solidarity to Chinese workers, the IWRO delegation aided in establishing direct contact between the workers movements in the West and in China. The progressive public in the country and the strike committees welcomed the assistance of the IWRO, the activities of its delegation and the establishment of the national IWRO committee.¹⁶

To arouse world public interest in the events in China, expose the policy of the imperialist powers and expand and energize the campaign of support for the struggle of the Chinese laboring public, the IWRO Central Committee suggested that an international congress be convened, open to all organizations and individuals, for the purpose, in the words of the letter of invitation, of "uniting all men and women who sympathize with the starving and exploited Chinese workers suffering from two kinds of oppression."¹⁷ The IWRO, as these words indicate, did not stop fighting for the creation of a united

front of all those taking an anti-imperialist stand, regardless of their political views, party affiliation, nationality or race.

The pertinence of the issues raised at the congress and the need for quick and concerted action aroused the interest of the general progressive public.

The sociopolitical composition of the congress held in Berlin on Sunday, 16 August 1926, under the militant slogan "Hands off China!" attested to the broader base on which the movement for solidarity with the Chinese people's struggle now rested. The congress was attended by more than 800 delegates and guests¹⁸ from Europe, Asia and America, representing international and national organizations (the Profintern, the Peasant International, the International Organization for Aid to Revolutionaries, the International League of Human Rights, the International Union of War Veterans and others), political parties and trade unions. In addition to communists, representatives of social democratic parties, non-party members, workers, peasants and renowned scientists and artists attended the congress.

Zheng Penghong's report on "The Current Phase of the Chinese Liberation Movement" aroused considerable interest. In his account of the Chinese people's struggle against internal reaction and external enemies, the Chinese delegate said: "The present struggle against the devastating military actions of the imperialist powers is a just struggle to liberate China and firmly establish its culture, and it therefore deserves the complete support of the Western working class and all groups respecting genuine culture."

In his report, IWRO Central Committee member E. Mayer noted the significance of the struggle in China for world economics and politics and stressed that freeing the country from its foreign enslavers would play an important role in the stimulation of the national liberation struggle in Asia.

Communist W. Muenzenberg, general secretary of the IWRO Central Committee, spoke of the campaign of international proletarian solidarity with the Chinese people's struggle. The speaker contrasted the policy of sabotage and schism of the leaders of the Socialist and Amsterdam internationals with the consistently internationalist policy of the Comintern and the organizations acting under its leadership to unite all forces in defense of the Chinese revolution.

The majority of congress speakers demanded the creation of a united front of struggle against imperialism and the expansion of the campaign for the assistance of the Chinese people in their just struggle. French attorney A. Fournier condemned not only the policies and actions of imperialists in England, Japan and the United States in China, but also those of France in Syria and Morocco. Representative J. Kearney of the Labor Alliance of Ireland said that "the Irish people will not allow a single ship loaded with guns to be used against China to sail from their country's shores."

"We have been unable to force the government not to send ships with guns to China," said representative Wiltczek of the American trade unions, "but the slogan 'Hands off China!' has been heard in America." The campaign under

this slogan was conducted in the United States on the initiative and under the leadership of the Labor (communist) Party.

Secretary L. Beran of the Czechoslovak section of the IWRO, representative L. Maresh of the IWRO Balkan Federation and renowned German social democrat G. Ledebur announced solidarity with the Chinese people's struggle.

Addressing the congress and the revolutionary people of China on behalf of the IWRO and the MOPR [International Organization for Aid to Fighters for Revolution (1922-1947)], W. Piek, famous activist in the German and international communist movement, stressed that the revolutionary proletariat must put the solidarity of workers at the service of the national liberation struggle.

The Chinese Federation of Railroad Workers, the Beijing University Student Union and the national IWRO committee thanked the congress for the international proletariat's selfless assistance of the Chinese people. The latter said the following in a telegram to the congress: "The ever more intense battle is strengthening our confidence that the success of the Chinese liberation struggle will depend on the active solidarity of the Western working class."¹⁹

The "Hands off China!" congress resolved to continue and expand the moral and material assistance to Chinese laborers. Evaluating the congress, Italian Marxist historian Franca Pieroni Bortolotti stressed that "this was the first open anti-imperialist action on a broad scale to be undertaken as part of the activities of the Communist International and the groups supporting it. It is probable that the full significance of this event can only be judged in our day, in light of the heights the struggle against imperialism has now reached throughout the world."²⁰

The militant slogan "Hands off China!" was proclaimed back in 1924 by the laborers of the Soviet nation and was supported by the international forum in Berlin. It was heard at IWRO congresses and conferences in Amsterdam (4 October 1925), Brussels and Vienna (11 October 1925), London, Manchester and Glasgow (18 October 1925) and Paris (24 October 1925) and at national IWRO congresses in Czechoslovakia (24 October 1925), Germany (1 November 1925), Belgium (middle of November 1925) and other countries.²¹

Sun Yatsen underscored the tremendous importance of the USSR's moral assistance in the liberation movement of the Chinese people and other oppressed peoples of the East, writing that "distance does not exist for slogans (he was referring to the slogan "Hands off China!"--B. Z.) voiced in Moscow. They fly across the entire country with lightning speed and arouse an emotional response in each laborer."²²

Using a variety of forms and methods, the IWRO told the world about the events in China, exposed the predatory policy of the imperialist powers in China and revealed the actual positions of the reformist internationals and the Communist International; along with the latter, it prepared public opinion to surmount the confines of national boundaries, to realize the single and

common interests of all Eastern peoples in the struggle against international imperialism, to acknowledge the connection between the liberation movement of the oppressed Eastern peoples and the struggle of progressive forces in the capitalist Western countries and so forth.

The IWRO campaign for solidarity with Chinese laborers turned into a powerful demonstration of proletarian internationalism. It entered the history of international solidarity as one of its most brilliant and unforgettable pages, demonstrating that "the international proletariat is the only ally of all laborers and the hundreds of millions of exploited people in the East."²³

FOOTNOTES

1. For more detail, see: W. Muenzenberg, "Solidaritat. Zehn Jahre Internationale Arbeiterhilfe. 1921-1931," Berlin, 1931; D. Michev, "Mezhrabpom--organizatsiya proletarskoy solidarnosti 1921-1935" [International Workers' Relief--An Organization of Proletarian Solidarity, 1921-1935], Moscow, 1971; "Pod znamenem proletarskoy solidarnosti. K 50-letiyu organizatsii 'Mezhdunarodnaya rabochaya pomoshch'" [Under the Banner of Proletarian Solidarity. On the 50th Anniversary of the International Workers' Relief Organization], Kiev, 1971; B. M. Zabarko, "Klassovaya borba i Mezhdunarodnaya rabochaya pomoshch. Iz istorii mezhdunarodnoy proletarskoy solidarnosti. 1924-1929" [The Class Struggle and International Workers' Relief. From the History of International Proletarian Solidarity. 1924-1929], Kiev, 1974.
2. "Pyatyy Vsemirnyy kongress Kommunisticheskogo Internatsionala. Tezisy, rezolyutsii i postanovleniya" [The Fifth World Congress of the Communist International. Theses, Resolutions and Decrees], Moscow, 1924, p 173.
3. B. M. Zabarko, Op. cit., p 117.
4. Ibid.
5. PRAVDA, 6 June 1925.
6. "Strategiya i taktika Kominterna v natsionalno-kolonialnoy revolyutsii na primere Kitaya" [Comintern Strategy and Tactics in the National Colonial Revolution as Illustrated by the Chinese Example], Moscow, 1934, p 121.
7. FUER CHINA, 1925, No 1, p 3.
8. W. Muenzenberg, Op. cit., p 287.
9. INTERNATIONALE PRESSE-KORRESPONDENZ (hereafter called INPREKORR), 1925, No 105, p 1435.
10. For more detail, see: FUER CHINA, 1925, No 1, p 4; No 3, p 3; No 5, pp 1, 3; No 6, pp 2, 3; No 7, p 3; W. Muenzenberg, Op. cit., pp 273-281; KRASNYY INTERNATSIONAL PROFSOYUZOV, 1925, No 9, p 51; B. M. Zabarko,

Op. cit., pp 126-129; B. M. Zabarko and Yu. A. Lvunin, "From the History of IWRO Assistance in the Struggle of the Chinese Laborers (1925)," NARODY AZII I AFRIKI, 1969, No 5, pp 148-155.

11. FUER CHINA, 1925, No 7, p 1.
12. B. M. Zabarko and Yu. A. Lvunin, Op. cit., p 149.
13. IZVESTIYA, 14 June 1925.
14. PRAVDA, 20 June 1925; FUER CHINA, 1925, No 3, p 3.
15. Central State Archives of the October Revolution, f. 5451, c. 13a, s.u. 668, sh. 59.
16. FUER CHINA, 1925, No 2, p 1.
17. B. M. Zabarko, Op. cit., p 139.
18. W. Muenzenberg, Op. cit., p 174; "Geschichte der deutschen Arbeiterbewegung," vol 4, Berlin, 1966, p 79.
19. For more about the work of the congress, see W. Muenzenberg, Op. cit., pp 173-183; B. M. Zabarko, Op. cit., pp 139-143.
20. F. P. Bortolotti, "Francesco Misiano: The Life of an Internationalist," Moscow, 1981, p 207.
21. B. M. Zabarko, Op. cit., p 144.
22. Pyn Min, "Istoriya kitaysko-sovetskoy druzhby" [The History of the Sino-Soviet Friendship], Moscow, 1959, p 146.
23. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 39, p 330.

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JAPAN-SINGAPORE: DEVELOPMENT OF DIPLOMATIC RELATIONS REVIEWED

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[Article by G. G. Morozov: "Japan and Singapore: Some Trends in the Development of Their Relations"]

In a bid to enhance its political prestige in the world arena and bring it in line with its greater economic potential, Tokyo pays much attention to the development of relations with newly-independent countries interested in obtaining "aid" from Japan and therefore inclined to support its far-reaching schemes. Japan places its main stake on ASEAN members. Their economic and socio-political heterogeneity predetermines the degree of support given by each country's ruling quarters to Tokyo's Asia policy. An examination of the specifics of the Japanese approach to some ASEAN countries makes it possible to understand better the ways and means applied by Tokyo to attain its global objectives.

The stable and ramified ties between Japan and Singapore are a case in point. The Japanese Foreign Ministry's year book states that "their development has brought about close cooperation in extremely broad spheres, in particular, not only in economic affairs, including trade and investments, but also in social and cultural matters". It is noted with satisfaction that "Singapore is willing to borrow Japanese experience relating to a wide range of problems." Japan, "meeting it halfway, is developing active cooperation with Singapore."¹

The specifics of relations between the two countries are determined, among other things, by the fact that in the 1980s Singapore has become one of the countries which turned, as Academician Yevgeny Primakov put it, into regional "mini-centres" of sorts. As the prominent Soviet orientalist rightly noted, "separate states (as a rule, from among the more developed ones), found themselves in a special position among the developing countries due to their exceptional economic and military-political significance. On the one hand, they themselves take advantage or seek to take advantage of their specific position in relations to other developing countries while, on the other, they are used by the imperialist powers which try to convert these countries into their strongholds."²

Its exceptionally strategically advantageous situation at the junction of the two oceans—the Pacific and the Indian—enables Singapore to control communications vital to Japan since they link it with the countries of the Middle East and Europe. Up to 40 per cent of all Japanese imports (including up to 80 per cent of the oil consumed by Japan) and more than one-third of all Japanese exports pass through the Malacca and the Singapore Straits. Tokyo cannot but take into account this important circumstance in its long-term foreign policy planning as regards Singapore.

¹ *Review of Japan's Foreign Policy*, Tokyo, 1984, No. 28, p. 103 (in Japanese).

² Y. M. Primakov, *The East After the Collapse of the Colonial System*, Moscow, 1982, p. 47 (in Russian).

The development of relations between Japan and Singapore was also influenced by the fact that as a result of the efforts by the city-state's leadership from the very declaration of Singapore's independence in 1965, Singapore has laid emphasis on the "open doors" policy for foreign capital and has become a paradise for monopolies of leading imperialist powers.

A mini-state in Asia (584.3 sq. km in area), Singapore is in no way a state with a mini-economy. The attractiveness of Singapore for Japan is primarily linked with Japanese monopolies' considerable economic interests in that country which now ranks second in Asia after Japan in per capita GNP. According to 1982 statistics, this indicator, which characterise the extent of the economic gap between the developed capitalist states and developing countries, reached \$5,910 in Singapore. Thus, the latter outstripped Spain's per capita GNP (\$5,430), and has considerably bridged the gap between itself and Italy (\$6,840), though it is largely lagging behind Japan (\$10,080).³

At the same time, figures showing a relative well-being of the island state conceal a dependence of its economy on foreign monopoly capital which seeks to draw maximum profits at minimum costs.

As a result of Japan's large-scale economic expansion, trade between the two countries reached almost \$6 billion in 1983, having gone up by 2,600 per cent over trade in 1965. In 1983 Japan topped the list of exporters to Singapore accounting for 18 per cent of Singapore's imports. The island is a capacious market for Japanese commodities; this is evidenced by the fact that in the same year Singapore outstripped Australia, Canada and Indonesia and became the ninth-ranked country in the world importing Japanese products.

The Japanese market for Singapore is significant, too; Japan's share in Singapore's aggregate exports was 9.2 per cent in 1983 (Japan ranked third after Malaysia and the USA). In particular, Singapore delivered 19.4 per cent of all oil products imported by Japan in 1983 (the total sum topped \$1 billion), thus leading the list of all oil products exporters to Japan.⁴

The trade balance between the two countries is characterised by a permanent positive balance for Japan. In 1983 the deficit of mutual trade reached \$2.98 billion. At the same time, the problem of trade disbalance has not become as acute as it has with the majority of other countries of the world, including those in Southeast Asia. Japan is satisfied with the Singapore government's readiness not to make the problem a political one.

The latter, in its turn, proceeds from the consideration that at the present stage the deficit is practically unavoidable since imports from Japan include mainly commodities produced on the basis of the most up-to-date technology and are essential for an accelerated development of the country. Besides, this deficit is compensated with currency earnings from other sources, such as tourist industry, freight, sea and air ports, banking and insurance, etc., which make it possible to maintain a stable, on the whole, rate of the Singaporean dollar.⁵

The trade and economic relations between the two countries also include Tokyo's financial aid to Singapore. Due to Singapore's rather stable economic situation, such aid does not play an important role as Japanese loans and credits do for some other Southeast Asian states. For example, Japanese financial support is a major factor for stability for the respective regimes of the Philippines, Thailand and some other countries of the region.

³ See *Review of Japan's Foreign Policy*, 1984, No. 28, pp. 568, 570 (in Japanese).

⁴ *The White Paper on Foreign Trade (Survey of Markets)*, Tokyo, 1984, pp. 302, 782, 204 (in Japanese).

⁵ *Asiaweek*, Sept. 7, 1984, p. 33.

Nevertheless, in 1982 Japan ranked first among the member countries of the Committee to Aid the Development of the OECD and those states rendering "official aid to development" along state lines to Singapore on easy terms. The amount of official Japanese aid to development (OAD) was \$7.6 million.⁶ In 1983 it reached 7.98 million.⁷ At present, the centre of gravity of Japanese economic expansion in Singapore is increasingly shifting to the export of capital. Japanese capital investors are attracted by the stable Singapore leadership's political platform and its policy to establish the most favourable conditions for foreign investment.

Tokyo attaches much significance to the fact that commodities produced at Japanese-owned enterprises in Singapore are very competitive and enjoy customer allowances within the framework of the general system of preferences on the EEC and American markets (similar commodities manufactured in Japan do not enjoy such privileges).

Singapore is interested in the influx of Japanese investment, believing that they are a *sine qua non* for the accelerated development of its industry. According to the Singapore leadership, it contributes to the growth of employment and the training of skilled production and managerial personnel; yields tax receipts from profits earned at joint enterprises, and promotes the introduction of the most up-to-date technology at the country's enterprises. From 1965 to 1982 Japanese investments rose from \$8.8 million⁸ to \$1.383 billion⁹, i. e., more than 157-fold.

In restructuring the economy on the basis of the priority development of the latest science-intensive branches which consume comparatively small amounts of energy and raw materials, Japanese capital finds it increasingly advantageous to transfer morally obsolete cumbersome branches of industry to the developing countries. A case in point is the agreement with Singapore on the construction of a big petrochemical complex on Merbau Island (Singapore) worth \$1 billion by a consortium of Japanese companies headed by Sumitomo Kagaku.¹⁰

Japan's participation in that project was determined by a number of factors which have been exerting increasing influence on the development of Japanese industry at large. They include greater control over the protection of the environment, the growth of land prices, and higher wages for the Japanese working class. The transfer of production beyond the limits of the country promotes the competitiveness of Japanese commodities in the world market, simultaneously enabling Japanese ruling quarters to describe it as a "step meeting aspirations of the developing countries" and the "exports of technology".

From time to time, Singapore leaders subject their Japanese partners to rather sharp criticism but this in no way represents an intention to infringe on the Japanese monopolies interests. In this connection a statement by the *Straits Times*, an official Singapore mouthpiece, is highly indicative. The paper notes that the main result of Japanese investment in the republic is the contribution to its economy. While the Japanese appropriate the lion's share of profits, Singapore also gets certain boons. Therefore, the paper went on, despite the fact that some quarters cavil the hard-heartedness of the Japanese, on the whole, Singapore is well aware that the presence of the Japanese is beneficial to it.¹¹

According to Kyodo Tsushin, the commissioning of the above-mentioned projects in 1984, served as a pretext for the US business community to

⁶ *State and Problems of Economic Cooperation*, Tokyo, 1984, p. 425 (in Japanese).

⁷ *Survey of Japan's Foreign Policy*, 1984, No. 28, pp. 610-611 (in Japanese).

⁸ See *Asia Research Bulletin*, 1973, Vol. 2, No. 9, p. 1473.

⁹ *State and Problems of Economic Cooperation*, 1983, 1984, p. 422.

¹⁰ Calculated on the basis of *State and Problems of Economic Cooperation*, 1983, p. 423.

¹¹ See *Straits Times*, March 18, 1978.

express its discontent and accuse Japan, of causing the emergence of excessive production capacities in the world and inflicting damage on the US market by aiding Singapore and a number of other developing countries in building large industrial enterprises.

The considerable scope of the Japanese monopolies' expansion in the rapidly growing Singapore market notwithstanding, one should not underestimate the fact that it is US capital which dominates among foreign investors. About 700 American corporations invested over \$4 billion in the economy of Singapore. In 1983 the USA became Singapore's major trade partner, with trade between them amounting to about \$6.7 billion.¹² The opposition of US capital presents a serious obstacle to the Japanese monopolies' further penetration of the island's economy.

Japan attaches considerable significance to the fact that Singapore proved to be one of the countries most susceptible to Japan's refined ideological brainwashing which it performs to meet obviously neocolonial ends.

The appeal of the Singapore leaders to "learn from Japan", to study more profoundly the specific features characterising relations between labour and capital in modern Japan and the latter's social structure were much to the liking of Japanese ruling circles. The leadership of Singapore actually made Japan an example for the republic's further development taking into consideration the semblance of national and geographical conditions of the two countries.

For example, in 1977 the then president of Singapore Sheares stated that the republic should study the Japanese experience—how they managed to convert their country, within less than a century after the restoration of the Meiji in 1868, into a modern industrial state, without giving up their cultural traditions. Their experience, he continued, is more suitable for Singapore than that of West European countries.¹³

Tokyo considers training Singapore's labour force to be one of the most important ways of helping the republic.¹⁴ Singapore specialists are trained in Japan and research centres and educational institutions are established in Singapore with the help of Japanese capital.

In 1983, 453 Singapore specialists were trained in Japan. As far as the ratio between this number and the population of the country (2,444,000) is concerned, it exceeds the corresponding indices for the other countries of Southeast Asia many times. 135 Japanese experts were sent to Singapore by the government to teach.¹⁵ During negotiations with his Japanese colleague, Y. Nakasone, in May 1983 the Prime Minister of Singapore, Lee Kuan Yew pointed out that Japan's readiness to share its experience was an important contribution to Singapore's efforts to adapt its economy to the changing industrial requirements,¹⁶ thus showing Tokyo's work was bearing fruit.

Japan's interest in Singapore is not limited with considerations connected with gaining economic profit. Singapore, with its pro-imperialist foreign policy, is capable, as Japanese ruling quarters apparently believe, of playing an important part in enhancing Japan's political influence in Southeast Asia.

When, on August 9, 1965, Singapore withdrew from the Federation of Malaysia and became independent, Tokyo had already accumulated a wealth of experience in settling postwar claims on the part of Southeast Asian countries which, during World War Two, had been the object of Japanese aggression and sustained colossal material damage.

¹² See *US News and World Report*, Aug. 20, 1984, pp. 49-50.

¹³ See *Straits Times*, Feb. 9, 1977.

¹⁴ *Survey of Japan's Foreign Policy*, 1983, No. 27, p. 86 (in Japanese).

¹⁵ See *Ibid.*, 1984, No. 28, pp. 108, 103.

¹⁶ *Asiaweek*, May, 20, 1983, p. 29.

Having set itself the task of including young states in the sphere of Japanese economic expansion gathering momentum in Southeast Asia, from the very beginning Tokyo actively courted Singapore. Japan officially recognised the new state on August 10, 1965.

As far as relations between the two countries were concerned there was no need for a peace treaty because it had already been signed by Great Britain—Singapore's former mother country—in 1951 at the San Francisco Peace Conference; this promoted the uninterrupted development of bilateral relations. However, the period from 1942 to 1945 when more than 50,000 fell victim to the Japanese militarists could not but leave a sharply negative attitude towards Japan on the part of the population of the island.¹⁷

Thus, the problem of overcoming anti-Japanese sentiments, linked with the need to obtain Japanese compensation for the damage it had inflicted, a pivotal issue in Tokyo's bilateral relations with the other countries of the region, was also mirrored in Japanese-Singaporean relations. At the same time, Singapore's demands were incomparable, for example, with the initial reparation demands by the Philippines, which assessed losses inflicted by the Japanese aggressors at \$8 billion. Singapore was much more pliant due to the government's reluctance to launch an open confrontation with Japan on this issue. The Singaporean government feared that procrastination in solving this problem would adversely affect the prospects for the development of mutual economic relations.

At the same time the island's government could not ignore the anti-Japanese sentiment among the big Chinese community.¹⁸ Its representatives insisted that friendly relations with Japan could be established only provided the latter paid its "blood" debt" to the tune of 100 million Malayan dollars.¹⁹

The first Japanese-Singaporean negotiations held during the visit of the Japanese Foreign Minister E. Shiin in October 1966 demonstrated that both sides sought to settle the "blood debt" problem as soon as possible. Tokyo later succeeded in reducing the above-mentioned sum by fifty per cent by promising to increase the influx of Japanese investments to Singapore.

On September 21, 1967, the two countries signed an agreement settling the reparations issue. Japan undertook, within five years, as free aid, to equip a shipyard in Singapore and a satellite communications station, and to deliver certain equipment for the sea port and a governmental department—all in all, to the tune of 2.94 billion yen. On December 9, 1970, within the framework of paying its "blood debt" to Singapore, Japan granted it two loans in yens for a similar sum.²⁰

By March 31, 1972, Tokyo had fully discharged its commitments. The execution of the reparation deliveries weakened anti-Japanese sentiment on the island, although it failed to solve the problem completely. At the same time, the deliveries and credits became an important milestone for Japanese monopoly capital's penetration of Singapore. The principle of "equidistance" in relations with the great powers was declared the basic element of Singapore's foreign policy. The Singaporean leaders chose the policy of maintaining the "balance of forces" in Southeast Asia as an instrument for pursuing that line. A number of important foreign policy actions by the young state, primarily joining ASEAN on August 8, 1967,

¹⁷ See Y. Lin, *Modern Singapore. Reference Book*, Moscow, 1976, p. 34 (in Russian).

¹⁸ Ethnic Chinese account for more than 75 per cent of the population of the island.

¹⁹ Prior to June 12, 1967, the Malayan dollar served as the monetary unit in Singapore but later it was replaced by the Singaporean dollar. The rate of exchange was the same and in 1966 was 3.08 per 1 US dollar.—*Singapore International Chamber of Commerce. Economic Bulletin*, June 30, 1973, p. 23.

²⁰ See *State and Problems of Economic Cooperation*, 1983, p. 421 (in Japanese).

in order to "accelerate economic growth, social progress and cultural development in the region" and "to promote peace and stability, active cooperation and mutual assistance on issues of mutual interest in economic, social, cultural, technological, scientific and administrative fields,"²¹ reflected Singapore's efforts to "balance" the status of the country in the region and ensure its unhampered development in the future. In the opinion of the Singaporean government, the establishment of diplomatic relations with the Soviet Union (June, 1968), also met these goals. At the same time, Singapore refrained from establishing such relations with the PRC, stating that it would do so only after Indonesia had. While the USA was concentrating on its aggressive war in Vietnam, the Singaporean leaders maintained that emphasising the further development of diverse ties with Japan would meet the aims of its foreign policy. The regularity of subsequent visits by leaders of the two countries mirrored their mutual interests in developing bilateral relations.

In the course of the summit talks held in 1967 and 1968 in Singapore and Tokyo respectively, Japan failed in its efforts to persuade Singapore to take part in the Asian-Pacific Council (ASPAC) set up in 1966 under the aegis of Japan. However, the negotiations, held against the background of the USA's aggressive war in Vietnam, demonstrated that the views of the two sides on major world issues were either identical or nearly so. For example, during the entire "dirty war" waged by the United States in Vietnam, the Japanese and the Singaporean governments, paying lipservice to their "desire" for an early peaceful settlement of the conflict, actually actively supported US policy. The war in Indochina was an important source of hard currency not only for Japan, which earned more than \$5 billion (1965-1972) on US military orders²² but also for Singapore, which fulfilled, although on a smaller degree, similar orders and provided its territory for US armed forces.

The withdrawal of the British troops to the "East of Suez" in 1971-1972 was an important development which left an imprint on Japanese-Singaporean relations. The corresponding plan was made public by Harold H. Wilson, then British Prime Minister, on January 16, 1968. Japanese policy was designed to use the anxiety of the ruling regimes in Singapore and Malaysia concerning guarantees of their security and intensify Tokyo's presence in the region, so vital to it. Answering a question in parliament concerning Japan's stand in relation to the withdrawal of British troops to the "East of Suez", K. Aichi, then Japanese Foreign Minister, stressed that "for Japan the problem of the efficient control of the situation in that area of the world could be important."²³

Taking advantage of Britain's retreat from Singapore, Tokyo tried to establish a powerful repair base for its tankers there on the route between the Gulf countries and Japan. The Japanese government could not but take into account the fact that in the event of an aggravation of the situation in Southeast Asia such a base could be used as a strongpoint for patrolling sea routes to Japan.

In turn, Singapore proceeded from the need to fill some "vacuum" which, as the leaders of the country maintained, would inevitably take shape after the withdrawal of British troops. Proceeding from the concept of the "balance of forces" in Southeast Asia, the Republic's government, headed by Lee Kuan Yew, deemed it necessary along with maintaining traditional ties with Britain after the withdrawal of its troops from that region, to cooperate in many different ways with USA and with

²¹ B. T. Koloskov, *Malaysia Yesterday and Today (Problem Research of the History of the Developing Countries)*, Moscow, 1984, p. 251 (in Russian).

²² See D. V. Petrov, *Japan in World's Politics*, Moscow, 1973, p. 186 (in Russian).

²³ *Yomiuri shimbun*, Dec. 21, 1968.

Japan, thus forecasting correctly the latter's transformation into one of the most important countries in the world.

Sparing no effort to ensure its "security" in these new conditions, Singapore became a member of a new military-political grouping within the framework of the "five-sided defence agreement" which also included Britain, Australia, New Zealand and Malaysia. Members of that agreement undertook commitments concerning the joint defence of Singapore and Malaysia against any "external threat".

The line followed by Japanese and Singaporean ruling quarters vis-à-vis the ever greater coordination of action in the region was made particularly manifest during talks held when Lee Kuan Yew visited Tokyo in May 1973.

For example, he stated that Japan's renunciation of arming its "self-defence force" with nuclear weapons would be a contribution to the security and neutrality of the region.²⁴ At the same time, he asserted that Japan was supposed to play active role in maintaining the "balance of forces" in Southeast Asia. Lee Kuan Yew came out with the idea of establishing a joint naval contingent which would include forces from the USA, Australia, New Zealand, West European countries and Japan as a "counter-balance" to the Soviet Union in the Pacific and Indian Oceans. Moreover, the Singaporean Premier did not deny the possibility of using Singapore as a base for such a contingent.²⁵

Since at that time Japanese ruling circles thought they had not yet sufficiently prepared public opinion in their country for the "self-defence force's" participation in actions beyond the limits of Japan,²⁶ Tokyo had to turn down Singapore's untimely proposal and limited itself to a statement that Japan would fulfil its commitments within the framework of the security treaty with the USA, simultaneously carrying out the fourth plan for the modernisation of the "self-defence forces" (1972-1976). The results of the visit demonstrated that the Singaporean leaders regarded Japan quite earnestly as one of its major allies, together with the USA and Britain, able to ensure Singapore's security.

By the mid-1970s, as a result of the historic victories scored by the peoples of Indochina, and, in particular, the formation of the Socialist Republic of Vietnam, the situation in the Asian-Pacific region changed drastically. The defeat suffered by US imperialism, brought to light the limited nature of America's potential to influence by force of arms political developments throughout the world. Under such conditions, Washington continued to search for a policy for the Asian-Pacific region which would ensure the strategic interests of US imperialism without overstraining America's economic resources and which would not undermine American prestige as a "peaceloving power".

These factors played a crucial role in coordinating American and Japanese policies vis-à-vis Asia during the negotiations between the Japanese Prime Minister T. Fukuda and US President J. Carter in Washington in March 1977. Both sides agreed that the USA and Japan should take measures towards keeping ASEAN countries within the sphere of influence of the "free world". In its turn, Japan pledged to contribute to "strengthening the region's stability and developing the region in different fields, economic included."

Summit talks during Lee Kuan Yew's visit to Japan in May 1977, and during the Japanese Premier T. Fukuda's stay in Singapore in August, 1977, in the course of his tour of the ASEAN countries, were an

²⁴ In November 1981, Singapore, together with the other ASEAN countries, signed a declaration on turning of Southeast Asia into a zone of peace, freedom and neutrality.

²⁵ See *Straits Times*, May 12, 1973.

²⁶ In 1980 for the first time, the Japanese "self-defence forces" took part in the Rimpac multilateral naval military exercises beyond Japan's territorial waters.

important stage in the implementation of the close coordination of the two countries' foreign policies within the framework of Japan's new Asia policy. Its essence was formulated in the "Fukuda doctrine" proclaimed in Manila, and fully met the above-mentioned Japanese-US agreement.

In 1978 Tokyo sought the ASEAN countries' approval of the Japanese-Chinese treaty of peace and friendship. In some states of the Association, despite the absence of obvious opposition to Japanese-Chinese rapprochement, some apprehension was expressed in connection with the probable negative consequences of the treaty. The Singaporean government, however, supported it.

The leaders of the two sides met in October 1979 (Lee Kuan Yew's visit to Japan) and in January 1981, when Z. Suzuki, then Prime Minister of Japan, visited Singapore, and reaffirmed that the two countries held "identical views" on the overwhelming majority of international problems both in Asia and elsewhere. The two described bilateral relations as "rather sound relations of cooperation".²⁷

Of late the "soundness" of Japanese-Singaporean relations is expressed in the fact that, without officially abandoning its line of "equidistance" in relations with the great powers—the USA, PRC and USSR—the Singaporean leaders are increasingly sliding towards openly anti-Communist and anti-Soviet positions in their foreign policy. This is greeted with complete understanding and support by the Japanese government which contributes, in its turn, quite a lot to greater tension in the world, doing so in accordance with the leading military and political role assigned to Japan in the Asian-Pacific region within the framework of Washington's global strategy.

The governments of Japan and Singapore took an active part in whipping up tension around developments in Indochina. They blocked initiatives by the socialist states of the region to improve relations with the ASEAN states. Like Thailand, which takes the toughest stand of all the ASEAN members as regards Kampuchea, Singapore was a most active initiator in the formation of the so-called "coalition government of Democratic Kampuchea". Tokyo, too, maintains official relations with this government. At the same time, in defiance of the ASEAN decision to completely sever economic ties with Vietnam, Singapore continues to trade with it, in particular, delivering oil products. In 1983 the volume of mutual trade amounted to 170 million Singaporean dollars.²⁸

Japan and Singapore have taken an openly pro-American stand on the so-called "Afghan issue" as well. Japan actively participated in anti-Soviet sanctions and Singapore participated in launching an anti-Soviet campaign.

Attempts by Japanese diplomats in the early 1980s to persuade the ASEAN countries to take part in the "Pacific community" were assessed by those states as an act towards "dissolving" the Association in the "community" and bringing to naught its activities objectively spearheaded against the neocolonial policies of the imperialist powers, including Japan, in Southeast Asia. Singapore was the only member of the "Five" at that time which, from the very beginning, openly supported that idea.

Holding identical views as regards the role played by the USA in the world, and in Asia in particular, Japan and Singapore see US military presence as an important guarantee of their security. Although, unlike Japan, increasingly playing the role of an "unsinkable aircraft carrier" for the United States, Singapore formally has no US troops on its terri-

²⁷ *Japan-Singapore Joint Communique Issued on the Occasion of the Official Visit to Japan of H. E. Prime Minister Lee Kuan Yew*, Tokyo, October, 13, 1979.

²⁸ See *Mainichi shimbun*, March 18, 1984.

tory, nevertheless, its airfield is widely used by Americans when re-stationing their combat aircraft units, while the port is used for regular calls of US battleships to replenish reserves, make repairs, and give crews R and R.

Thus, identical views on the notorious "Soviet threat" is one more important factor for the political rapprochement between Japan and Singapore on an anti-Soviet basis. Echoing their Japanese colleagues, Singaporean leaders have been actively imposing on developing countries the thesis of the illusory "fault" of the USSR for destabilising the world situation, including the situation in Southeast Asia. This destructive line stood out in especially bold relief in the course of the Seventh Conference of the non-aligned movement, held in New Delhi in 1983, (Singapore is a nominal member of that movement). In his speech at the conference, the second deputy Prime Minister of Singapore on foreign matters S. Rajaratnam literally attacked peaceful Soviet foreign policies and made an attempt to question the sincere nature of Soviet support to the movement.²⁹

The threat of the restoration of Japanese militarism cannot but alarm Singapore—which once fell victim to it—yet precisely today, when with the advent of the Y. Nakasone Cabinet to power in Tokyo, the trend towards Japan's rearmament is gathering momentum, Singapore's criticism of these steps so dangerous to peace, have been reduced to virtually nothing. Moreover, Lee Kuan Yew stated that Japan should be more able to ensure its defence and patrol coastal waters, thereby releasing the US Navy and Airforce to accomplish tasks in other areas.³⁰

Due to this stand taken by the Singaporean leaders, the Japanese Prime Minister Y. Nakasone, in the course of his official visit to Singapore in May 1983, succeeded in securing the support of his plan for the "self-defence" force to patrol sea communication within the range of 1,000 miles from the shores of Japan, which caused grave apprehension in other ASEAN countries.

It should be pointed out that the position taken by Singaporean ruling quarters took no account of the genuine mood of the country's public which believed, according to the local press, that "during the post-war period militarism in Japan has not been uprooted" and its proponents "play rather an important role in the political and economic life of the country".³¹

Taking advantage of the myth about a "Soviet threat" and "the accelerated growth of the Soviet military presence in Southeast Asia", Washington is trying in every possible way to tie up ASEAN countries to its policy so hostile to the cause of peace. The modernisation of the armed forces of the ASEAN states imposed by the United States is an important trend of that policy, which brings tangible profits to the US military-industrial complex. It is indicative that in Southeast Asia Singapore, whose government has been purposefully implementing a programme for the comprehensive build-up of its military muscle in recent years, is one of best customers for expensive American military hardware.

One can discern behind plans for the acceleration of Singapore's militarisation the ruling elite's aspiration to use the country's strategic location to reaffirm its role as an independent centre of force in Southeast Asia.

Such aspirations on the part of the Singaporean leadership make Singapore's ASEAN neighbours apprehensive. For example, in an editorial the Indonesian *Merdeka* pointed out that expected deliveries of the latest

²⁹ See *Straits Times*, March 11, 1983.

³⁰ See *Ibid.*, Jan. 2, 1983.

³¹ *Nanyang shangbao*, Aug. 28, 1982.

American military hardware to Singapore are not linked with the country's genuine defensive needs and are at variance with the idea of establishing a zone of peace, stability and neutrality in Southeast Asia.³²

It is indicative that Singapore's plans evoked no negative response from Tokyo.

Apparently, believing it unfeasible to fulfill a purely military role in the near future in the Malacca and Singapore Straits, Japanese ruling circles proceed from the premise that at present Singapore's actions—which are clearly pro-imperialist, judging by official statements made by the country's leadership—fully correspond with Japan's interests.

The USSR opposes anti-Soviet concoctions of the Tokyo and Singapore official circles with a principled and active policy aimed at ensuring general peace and security, settlement of disputes through negotiations, establishment of a mutually advantageous cooperation, including that with the ASEAN countries. The Soviet Union champions the idea of turning the Southeast Asia into a zone of peace and stability.

Japan and Singapore are mutually interested in the further development of bilateral relations, although they will have to overcome quite a few difficulties. The Singaporean side, though not so persistently as other developing countries, still expresses its discontent with the terms of the transfer of Japanese technology to Singapore, the considerable trade deficit and restrictions on the access of Singaporean industrial goods to the Japanese market.

At the same time, in spite of the unequal character of economic relations between the two countries, Japan is interested not only in the further exploitation of its weaker partner, but also in seeing the "Japanese model" become viable in Singapore. In the opinion of Japanese ruling quarters, the success of this model, would promote Tokyo's prestige in the world arena, advertise the "Japanese way of life" and serve as an additional stimulus for the developing countries to follow Singapore's example when deciding on a path for socio-economic development.

At present, the political aspect of Japan-Singapore relations is increasingly coming to the foreground. This is predetermined by the ideological community and unity of class interests of the ruling circles in the two countries. Singapore's support of Tokyo's urge to come as close as possible to the status of a "great power" within the framework of the role assigned to it by Washington in the latter's global strategy is greatly appreciated by Japanese ruling quarters which seek to use Singapore as their "Trojan Horse" among the developing countries, and in the non-aligned movement, in particular. However, each nation has been pursuing its own ends as determined by the differences in the two countries' economic, military and strategic situation. This circumstance cannot but bring about new contradictions between them in the future.

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³² See *Merdeka*, March 1, 1984.

BRUNEI: 1ST ANNIVERSARY OF INDEPENDENCE MARKED

Moscow FAR EASTERN AFFAIRS in English No 3, Jul-Sep 85 pp 145-153

[Article by S. N. Denisov and B. T. Kostyayev: "Brunei--A New Independent State on the Political Map of the World"]

In January 1985, the youngest state in Asia—the sultanate of Brunei—a long time British protectorate celebrated the first anniversary of its independence. Brunei, a small state in Southeast Asia, has travelled a long and arduous path towards its independence.

The history of Brunei, located in the north of the Kalimantan Island, in the centre of Southeast Asia, dates back to ancient times. In the fifteenth century, Brunei—which by that time had already become Islamic—established itself as a strong and independent state. Neighbouring sultanates were unable to compete with it, and Brunei dominated the entire northern coast of Kalimantan and the southern Philippines. Brunei reached the pinnacle of its power during the rule of Sultan Bolkiah I (in the late 15th and early 16th centuries), the founder of the dynasty which rules till this day. Antonio Pigafetta, one of the members of Magellan's round-the-world expedition visited Brunei in 1521 and was amazed by its wealth and power. Brunei maintained its status throughout the 16th and even well into the 17th centuries. For a fairly long period of time Brunei successfully opposed attempts of the Portuguese and Spaniards to entrench themselves in the coastal areas.

Later on, however, Brunei succumbed to the onslaught of European colonialists who literally rushed into Southeast Asia. Britain was the first among them. It began the colonisation of Brunei in the middle of the 19th century; this move was closely linked with London's aggressive policy in Asia. In 1842, as the result of the first "opium" war, Britain signed an unequal treaty with China which provided for the opening of five Chinese ports for foreign trade. It was necessary to set up a stronghold on the route to China from Singapore and to ensure safe navigation for British ships heading for "the Middle Kingdom". It was also necessary to establish a coal station between Singapore and Hong Kong. In view of these circumstances, Brunei was increasingly attracting Britain's attention.

Initially, the British entrenched themselves in Sarawak which at that time was one of the Brunei Sultan's possessions. This is linked with the name of the English adventurer James Brooke, whom Raja Hassim, chief minister of Brunei, asked for help in suppressing a Dayak tribes uprising. In 1841 Brooke was rewarded with a small part of Sarawak, provided he agreed to pay tribute, and was given the title of a raja. Later on, Brooke captured the whole of Sarawak without any compensation to the Brunei Sultan. In 1863 Britain recognised Sarawak as an independent state and appointed its consul to the capital town of Kuching. At the same time, Britain spread its domination to that part of Brunei which is now the Malaysian state of Sabah. As a result, Brunei lost land 34 times greater in area than its present territory.

On May 26, 1847, a treaty ensuring Britain's trade and political interests was imposed on Brunei. The treaty granted English merchants most-favoured-nation status and established low custom duties for British goods. The Sultan pledged not to leave other powers any part of his pos-

sessions without London's consent and simultaneously confirmed Britain's right to the Island of Labuan which it had seized earlier.¹

During the last quarter of the 19th century, when Britain's interests in Southeast Asia were threatened by other West European countries, London, proceeding from the clauses of the 1847 treaty, took new steps towards consolidating its domination in the region. In 1888 it imposed a British protectorate on the Sultanate and Brunei became totally dependent on Britain in the sphere of foreign relations, though it preserved the formal right to solve domestic problems independently. The agreement on the establishment of the protectorate noted that relations between the Sultanate and other states should be regulated by the British government. The treaty also reaffirmed the privileges of British subjects in navigation and trade in accordance with the 1847 treaty.² British subjects also acquired the right of ex-territoriality.

However, London was not satisfied with all this. In a bid to entrench itself completely in Brunei, not only as a strategically important point in Southeast Asia, but also as a region rich in natural resources (it was announced in March 1903 that big oil deposits were tapped in Brunei), the British government continued to intensify its control over the Sultanate. In January 1906 it concluded another inequitable treaty with Brunei providing for the introduction of a system of British residents in the Sultanate subordinated to the British colonial authorities in Malaya who concentrated in their hands all powers in the country's foreign and domestic policies. As a matter of fact, Islam remained the Sultan's only prerogative. By the time the British protectorate was established, the territory of Brunei had shrunk to 5.8 thousand square kilometres, while its population numbered less than 15,000.

Colonial rule caused outbursts of discontent among the native population. The biggest uprising flared up in the last decade of the 19th century and swept Northern Kalimantan. It was cruelly suppressed by the British but the guerrilla war in the jungle went on, albeit with alternating success, during the first decades of the 20th century.

In securing the further consolidation of its position in Brunei, London attached much importance to the penetration of the country by British monopoly capital. As a result, the Sultanate's entire financial system found itself under British control, and British firms took dominating positions in the country's economy concentrating largely on the exploitation of its oilfields.

The British company Borneo Petroleum was among the first to start oil extraction when, in 1911, it was granted a lease on an oilfield near Belait.³ Later on the Anglo-Dutch company Royal Dutch Shell, in the person of its local subsidiary, Brunei Shell Petroleum Co^o secured the monopoly on oil in Brunei. An oilfield in Seria—one of the biggest amid British colonial possessions—was discovered in 1929. Oil extraction in Brunei sharply increased, and, already in 1933, the share of earnings from oil amounted to 40 per cent,⁴ and in 1935—to 47 per cent of all income in the Sultanate.⁵

During World War II Brunei was occupied by Japan. Like other British colonies, it was easy prey for the Japanese militarism which London had long "appeased". Even after Japan attacked China in 1937, Britain continued to supply it with oil from Brunei. During the Japanese occupa-

¹ See R. Singh, *Brunei, 1839-1983*, KL, 1984, pp. 226-229.

² *Ibid.*, pp. 233-235.

³ See *Sarawak Gazette*, Oct. 16, 1912, p. 235.

⁴ See *Report of the State of Brunei for the Year 1933—Unfederated Malay States, Annual Reports*, S.L., 1933, p. 13.

⁵ See *Brunei. Social and Economic Reports. 1935-1938*. S.L., s.a., p. 10.

tion, the economy of Brunei was undermined—oil extraction was discontinued, highways were destroyed, and trade declined.

After the end of World War II the political development of Brunei was connected with the national liberation movement which spread in Southeast Asia even during Japanese occupation. However, Britain succeeded in restoring its domain over the territories of Northern Kalimantan, including Brunei. Prior to July 6, 1946, the Sultanate was ruled by a British military administration. Brunei kept its status of a protectorate.

Nonetheless, Britain had to reckon with a new situation that had taken shape as a result of the profound crisis in the world colonial system after World War II; this crisis was accompanied by the collapse of strongholds of the British colonial empire in Southeast Asia. The Malaya Federation became independent in 1957; in 1958 London was forced to grant the status of "self-governing state" to Singapore and to permit some elements of self-government in Sabah and Sarawak. All this brought the question of Brunei to the agenda.

The national liberation movement's boom in Southeast Asia promoted the vigorization of political life in Brunei as well. The mid-1950s saw the emergence of Brunei's first political parties. Most influential among them was the People's Party of Brunei, led by Sheikh A. M. Azahari, a participant in the struggle of Indonesian insurgents against Dutch interventionists late in the 1940s. The People's Party of Brunei came out decisively for the liberation of their country from British colonial domination and worked for the establishment of a constitutional monarchy and the democratisation of the institutions of state power. The Party advanced the idea of creating a federation of independent North Kalimantan with the participation of Brunei, Sabah and Sarawak.

Omar Ali Saifuddin, who became the Sultan of Brunei in 1951, was more insistent than his predecessors in winning independence for his country.

In such conditions, London deemed it expedient to take some measures to create the impression that Brunei had been granted broader self-government; this was supposed to weaken anti-colonial and anti-British sentiment among the Sultanate's public. A new treaty, replacing all previous British-Brunei agreements, was signed between Brunei and Britain in 1959. In accordance with that treaty, Britain recognised the Sultan as the supreme ruler, and a High Commissioner, that is, an ambassador, was appointed instead of the resident. However, no radical changes in Brunei's status as a protectorate were actually introduced. The High Commissioner was entrusted with the same prerogatives as the resident.⁶

Simultaneously, with the signing of a new agreement, the first constitution in the sultanate's history was drafted and adopted in coordination with London.⁷ Like the treaty, it was bound to gloss over the colonial character of Brunei's status by means of introducing some semblance of a representative system of rule with the use of attributes of sham democracy.

In accordance with the constitution, Brunei was proclaimed a "Malayan Islamic monarchic state". Formally the supreme power belonged to the Sultan, whom the British High Commissioner "gave recommendations" on matters of defence and foreign relations, and on other problems with the exception of affairs related to Islamic and Malayan customs. The

⁶ See *State of Brunei. Annual Report 1967*, Brunei, 1968.

⁷ *Ibidem*.

constitution also provided for a legislative council (parliament) but its powers were rather limited because absolute power in it belonged to the Sultan. These measures in no way weakened the dominating position of British colonialists and the local feudal upper crust within the Sultanate. Moreover, it contributed to the strengthening of their positions in a new and specific manner.

The People's Party of Brunei regarded the changes in the country's administration, as measures aimed at setting up "colonial administration" and meeting Britain's rather than Brunei's interests. Nevertheless, it sought to win the elections to the legislative and municipal councils, hoping to implement its policy-making provisions.

In August 1962, the PPB won all the seats in the Legislative Council and 54 out of 55 seats in the municipal councils, and demanded that the colonial authorities give it a chance to participate directly in governing the protectorate. London responded by repressing Party members who were considered to be "unreliable". This was done under the pretext of opposing the "communist threat" to North Kalimantan.

In December 1962, the PPB suggested that the Legislative Council pass resolutions demanding that Brunei, Sabah and Sarawak be granted independence in 1963 without being included in the Federation of Malaysia. The British High Commissioner banned the resolutions, holding that the Council was incompetent to deal with such important issues. The leaders of the PPB, led by Azahari, decided that the time had come to switch over to other methods of struggle and ordered an uprising which began on December 8, 1962. It was prepared by the National Army of North Kalimantan, an underground organisation led by the PPB. Young Bruneians from among local Malaysians took part in the uprising. According to some press reports, about 80 per cent of all youth of Malaysian origin who lived in Brunei participated in the uprising.⁸ The rebels arrested the British High Commissioner and other top officials of the colonial administration, liberated prisoners, tried to seize the palace and force the Sultan to sign a declaration of independence of the three territories of North Kalimantan.

On the day the uprising began, Azahari published a manifesto in Manila, where he was staying at the time, which declared that the uprising's main objective was the creation of an independent state of North Kalimantan and the recognition of the Sultan of Brunei as the head of this state. The manifesto informed the people of the creation of a revolutionary government of Sarawak, Sabah and Brunei in which Azahari held the post of Prime Minister, Foreign Minister and Defence Minister.⁹

British troops from London and Singapore, several wings of jet aircraft and a great number of warships were sent to squelch the uprising in Brunei. In addition, a special police detachment from Malaya was also sent there. Australia and New Zealand helped Britain suppress the uprising. According to the *Times*, by December 15, 1962, more than 5,000 officers and men and a lot of modern military hardware were concentrated in Brunei.¹⁰

For almost a fortnight the rebels succeeded in repulsing British imperialist troops. The forces, however, were unequal and by December 20, 1962 the punitive detachments suppressed the main flashpoints of resistance. Subsequently, the Sultan banned the People's Party of Brunei, disbanded the Legislative Council, suspended the Constitution and declared a state of emergency.

Despite the defeat, the uprising contributed considerably to the

⁸ See *Borneo Bulletin*, Dec. 22, 1962.

⁹ *Straits Times*, Singapore, Dec. 10, 1962.

¹⁰ See *Times*, Dec. 24, 1962.

Bruneians' political self-awareness. Anti-colonial slogans were met with support and approval by progressive forces all over the world.

The 1962 uprising significantly influenced the Sultan's plan as regards Brunei's joining the Federation of Malaysia. Initially the Sultan was inclined to do so. He stated in February 1963 that any other decision would pose a threat to Brunei. At the same time, he set forth a number of conditions for Brunei's entry into the Malaysian Federation. In his opinion, the Federation should represent a voluntary association of Malaya and Brunei, countries which were already in existence, and the British colonies of North Borneo, Sarawak and Singapore. These conditions were proposed with an eye to ensuring Brunei's special interests.

Talks on Brunei's entry into the Federation of Malaysia were held in the first half of 1963. In the course of these talks the Sultan firmly rejected Malaysia's proposal that 50 per cent and later 100 per cent of the income obtained by Brunei from companies exploiting its oilfields would be passed over to the budget of the future federation. This dispute served as the formal pretext for Brunei to refuse to join the Federation. At the same time, the Sultan's decision was also influenced by the fact that as the 1962 uprising demonstrated, sizable sections of the population in the sultanate were against joining the Federation. The British did not support this idea either because they were afraid that their control over the sultanate would be loosened, thus threatening the interests of the Shell oil monopoly.

In 1968 a new sultan came to power in Brunei. Deprived of support from the British government which disliked his nationalistic sentiments and his efforts to compel London to make political and economic concessions, Omar Ali Saifuddin had to abdicate in favour of his elder son, Prince Hassanah Bolkiah who has been the Sultan of Brunei since August 1, 1968.

British-Brunei talks held in 1978 resulted in a treaty which was signed on January 7, 1979. In accordance with this treaty, Brunei was supposed to become independent as of December 31, 1983, and it became an independent state on January 1, 1984.

The present-day Brunei (its area is 5,765 square kilometres) consists of two small enclaves surrounded from land by the territory of Malaysia, namely, the States of Sarawak and Sabah. Brunei's population—now totalling about 250,000—almost doubled during the past decade, mainly due to the immigration from Malaysia.

The growth of the population has had little effect on an increase in the number of workers (there were about 40,000 of them in 1982). Brunei obtains unskilled workforce from neighbouring Malaysia, Indonesia, Thailand and the Philippines; skilled specialists come from Hong Kong, South Korea, Singapore and Japan. Despite the fact that the country suffers from an acute labour shortage, immigration authorities are trying to regulate the influx of foreigners fearful that the native population would otherwise "dissolve" among them.

As to the ethnic composition, the population of Brunei consists of Malaysians, (40 per cent), Chinese (26.7 per cent), Kedjans (13.8 per cent), Dusuns (6.9 per cent), Melanaus (5.7 per cent), as well as British, Ibans and descendants from South Asia.¹¹ Malaysians are in a more privileged situation than representatives of other ethnic groups. They hold different posts in the state bureaucracy,¹² get free education and medical

¹¹ See *Asiaweek*, Jan. 6, 1984, p. 30.

¹² See *Far Eastern Economic Review*, March 12, 1982, p. 23.

care and are granted allowances in purchasing real estate.

This naturally cannot, but cause discontent among the sultanate's non-Malayan population, above all among the ethnic Chinese who rank second to Malaysians. Their number is growing rapidly (according to the 1960 census, there were 21,795 Chinese in Brunei,¹³ whereas by 1984 their number reached 50,000).¹⁴ However, for the time being they are unable to play a significant role in the political life of the sultanate.

After the declaration of Brunei's independence, the local Chinese encountered the acute problem of citizenship. Their citizenship hinged directly on their ability to pass successfully an examination in the Malayan language. But this is an extremely difficult venture because it not only includes knowledge of the language itself but also presupposes profound knowledge of the traditions, flora and fauna of Brunei. Here is a graphic example. A Chinese from Brunei succeeded in persuading the commission that he could speak fluent Malayan. However, not satisfied with this the commission asked him to name—in Malayan—15 different varieties of trees found in the Brunei jungle.¹⁵

Authorities in Brunei justify this attitude towards the Chinese community by the apprehension that the ethnic Chinese, once citizens of Brunei, would excessively consolidate their position at the expense of the native population. For example, with considerable amounts of money, they may purchase the most fertile land in the country.¹⁶

For a long time the sultanate's economy was typically colonial, acting as a raw material appendage of British industry. Before tapping its large oilfields, the British regarded Brunei only as a source of traditional tropical goods, tanning extract being the most popular item. There was no manufacturing industry in the country at all.

The situation changed drastically once oil production began on a large scale. By the 1970s the oil and gas industry had become the very basis of Brunei's economy. This was largely the result of the favourable situation on the world oil and oil-product market at the time, growth in the consumption of oil, and a considerable increase in world prices for these commodities.

The excessive extraction of oil from the main oilfield in Seria (about 70 million tons of oil within several decades) depleted it by the beginning of the 1970s. Unwilling to lose profits, Brunei Shell, a branch of Royal Dutch Shell tried to adjust to this situation back in the 1960s and began tapping oil on the continental shelf. Several big oilfields, including Ampa, Ferly, Champion and others were discovered. As a result, oil production has again palpably increased. In 1971-1980 it amounted to 10-11 million tons annually, and in 1972-1974 it reached 13-16 million tons.¹⁷

Reaching a high level of oil production during the period of enhanced demand on the world capitalist market, Brunei Shell reduced its extraction in the 1980s when the prices of oil went down. In 1981 Brunei produced 8.8 million tons, in 1982—9 million tons,¹⁸ and in 1983—about 10 million tons.¹⁹

¹³ See *State of Brunei. Annual Report 1960*, Kuala Belait, 1962, p. 5.

¹⁴ See *Asiaweek*, Jan. 6, 1984, p. 30.

¹⁵ See *Far Eastern Economic Review*, March 12, 1982, pp. 23-24.

¹⁶ See *Asian Wall Street Journal*, Feb. 1, 1984.

¹⁷ See *International Petroleum Encyclopaedia*, 1981, Tulsa, 1982, p. 266.

¹⁸ *Ibidem*.

¹⁹ *Asiaweek*, Jan. 6, 1984, p. 31.

It was well into the early 1960s that British monopoly capital dictated to the sultanate the terms for distributing oil incomes. However, after the working masses' anti-colonial actions in December 1962, Royal Dutch Shell had to make some concessions. Brunei passed a law in October 1963, specifying the rules for surveying for oil, the terms of obtaining concessions and the payment for using oilfields, and envisaged that incomes would be distributed equally between the sultanate's government and Brunei Shell.²⁰ The elimination of the monopoly position enjoyed by British capital resulted in the emergence of US oil companies, Brunei Shell's competitors.

Pursuing the policy towards further revision of the terms of cooperation with Brunei Shell, the sultanate's government became a shareholder in that company in 1973, and in two years it owned up to 50 per cent of its shares. At the same time it purchased 50 per cent of the shares of Brunei Shell's subsidiary which sold oil products in the sultanate.²¹ In its relations with foreign oil producing companies, Brunei takes into account the experience gained by the developing countries which are OPEC members and is trying to take advantage of inter-imperialist contradictions.

Almost all the oil extracted in the sultanate is exported by Brunei Shell. Until the mid-1970s it was pumped through the pipeline to Malaysia where it was processed at a refinery belonging to that company in the town of Lutong. Since the late 1970s a considerable amount of Brunei's oil has been exported to Western countries in Shell tankers. By the beginning of 1984 Japan was the biggest importer purchasing 46 per cent of oil produced in the sultanate. The USA accounts for 20 per cent, Singapore, Thailand and the Philippines—for 17 per cent, and only one per cent of oil goes to satisfy the needs of the sultanate itself.²²

The extraction and processing of natural gas, which is produced in its pure form or as a by-product and is characterised by low sulphur content, acquired great importance for Brunei's economy in the 1970s. By 1980 reserves of natural gas already tapped amounted to about 200 billion cubic metres. Ampa is one of the biggest deposits where gas is extracted together with oil.

During the past several years Brunei has been one of the top exporters of natural gas. The gas is liquefied at a plant in Lumut, which was built early in the 1970s and for a long time was the world's largest plant of its kind. Initially the plant's annual capacity was 5 million tons of gas and later it reached 6 million tons. Brunei Liquid Natural Gas Company handles production, transportation and sales of natural gas. Its capital is distributed equally among the government of Brunei, Royal Dutch Shell and Mitsubishi, a Japanese corporation.

Japan is the main consumer of Brunei's natural gas. Its industrial companies succeeded in signing an agreement with the sultanate's government on importing gas for a 20-year period, from 1973 to 1993. In 1981 Japan imported 5 million tons of natural gas from Brunei, i. e., almost all that was produced in the sultanate that year.²³

Due to the development of the oil and gas industry in the 1970s, Brunei's GNP increased almost ten-fold, and in 1980, according to the IBRD estimates, it reached \$2,620 million, or about \$12,000 per capita.²⁴

Other branches of the economy, agriculture included, remain backward and fail to satisfy the sultanate's requirements. Brunei imports rice from Southeast Asia, mainly from Thailand. Cattle-breeding and fishery are also poorly developed.

²⁰ See *Far Eastern Economic Review*, Feb. 16, 1967, p. 12.

²¹ See *Brunei: History, Economy, Policy*, Moscow, 1984, p. 67.

²² See *Asiaweek*, Jan. 6, 1984, p. 31.

²³ See *Far Eastern Economic Review*, March 12, 1982, p. 28.

²⁴ See *World Bank Atlas 1981*, Washington, 1982, p. 14.

Brunei's armed forces number about 4,000 officers and men. The Royal Armed Forces consist of two army battalions, one airforce squadron and a flotilla of battleships.²⁵ The Brunei army has one battery of British-made Rapier "surface-to-surface" missiles, a squadron of 12 light British Scorpion tanks, a battery of field artillery pieces, and six patrol ships. 150 British officers serve in Brunei's armed forces.

A British military garrison consisting of a battalion of Gurkhas (one thousand men) still remains in the sultanate. It is stationed near the Seria oilfield.²⁶ The Sultan's bodyguards are also comprised of Gurkhas—retired British servicemen—and numbers 900.

In accordance with an agreement with the government of Singapore, there are 600 servicemen of the Singapore armed forces in Brunei. They are stationed in the jungles of the Temburong area.²⁷

In the 1970s and 1980s Brunei's military potential increased considerably. For example, in 1972 the sultanate earmarked 35 million Brunei dollars for the purchase of modern armaments, while from 1978-1982 military expenditures amounted to about 2 billion Brunei dollars.²⁸ Spending on the maintenance of the armed forces and police accounts for 40 per cent of the sultanate's budget.²⁹

Brunei's entry into ASEAN was one of the first foreign policy steps it took after winning independence. Back in the early 1980s the sultanate began to show interest in the development of economic relations with ASEAN countries. Since 1981 its representative constantly attended in the capacity of an observer all conferences of foreign ministers of ASEAN countries. It was at that time that the main spheres of bilateral economic cooperation between Brunei and the ASEAN states were taking shape. For example, in 1981 a mixed Brunei-Malaysia company was set up to service Brunei's oilfields and joint projects for cement works, a bridge across the Lawas River and a highway in the frontier zone were elaborated together with Malaysia.

Brunei regards ASEAN as an organisation which would help it to adapt more quickly to developments in the region, penetrate world markets, and establish close relations with the ASEAN trade partners—the EEC countries, Australia, New Zealand, Japan and the USA. As Prince Mohamad Bolkiah, Foreign Minister of Brunei, put it, the sultanate regards ASEAN as an important political organisation and shares the views of its member-states on matters of security and cooperation in Southeast Asia.³⁰

The decision on the admission of Brunei to ASEAN was passed on January 7, 1984 by the foreign ministers of Malaysia, Thailand, Singapore, the Philippines and Indonesia at a session of the ASEAN Secretariat in Jakarta. Brunei was the first country to join ASEAN after the organisation was established in 1967. Representatives of all the ASEAN states approved the admission of Brunei to the Association and pointed out that this would meet the interests of all its members and contribute to the growth of ASEAN's collective might.³¹

In 1984 Brunei maintained active contacts with all ASEAN countries,

²⁵ *Borneo Bulletin*, Feb. 23, 1984.

²⁶ *Asiaweek*, Jan. 6, 1984, p. 39.

²⁷ *Ibidem*.

²⁸ See *Brunei: History, Economy, Policy*, p. 119.

²⁹ See *Ibid.*, p. 78.

³⁰ See *Borneo Bulletin*, Feb. 23, 1984.

³¹ See *New Straits Times*, Jan. 8, 1984.

especially with Malaysia. Even prior to Brunei's independence, Malaysia rendered aid to the sultanate in training diplomatic personnel. Diplomats from Brunei were included in Malaysian diplomatic missions and worked as observers at such international forums as the Conference of Foreign Ministers of Islamic countries, the Conference of Commonwealth Nations and sessions of the UN General Assembly. It was decided to continue such cooperation after January 1, 1984. Moreover, students from Brunei have an opportunity to study at higher educational establishments in Malaysia.³²

In July 1984 the Chambers of Industry and Commerce of the Malaysian State of Perak and Brunei agreed to establish a consortium which would finance and introduce joint development projects in Brunei, in particular the construction of inexpensive housing and production of foodstuffs and beverages.³³

In 1984 Brunei and Singapore signed an agreement on air communication, in accordance with which Singapore Airlines was granted landing rights in Brunei and the right to use the Brunei's airport as an intermediary point for flights in the southwest Pacific and to North and South America.³⁴ Singapore was the first country visited by M. Bolkiah, Brunei's Foreign Minister, after the declaration of the sultanate's independence.³⁵

In August 1984, it was announced that an agreement was concluded between Brunei and Indonesia. The Chambers of Industry and Commerce of the two countries agreed to cooperate in trade, migratory labour, the transfer of technology and the development of tourism.³⁶

Brunei also demonstrated considerable interest in taking part in other international organisations—it was admitted to the UN and became member of the Islamic Conference Organisation. Brunei is expected to open its missions (embassies) in some countries, including Egypt and Saudi Arabia. The opening of a mission in Jidda (Saudi Arabia) would be of special significance, considering the annual pilgrimage of Brunei Moslems to that country.

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³² *New Straits Times*, April 4, 1984.

³³ *Business Times*, July 26, 1984.

³⁴ *Star*, Aug. 30, 1984.

³⁵ *New Straits Times*, Sept. 1, 1984.

³⁶ *Ibid.*, Aug. 10, 1984.

STUDY OF THE PRC ECONOMIC STRUCTURE

Moscow FAR EASTERN AFFAIRS in English No 3, Jul-Sep 85 pp 160-163

[Review by B. K. Chizhov of book "Struktura ekonomiki Kitaya" [The Structure of the Chinese Economy], abridged translation of Chinese work, Moscow, Progress, 1984, 472 pages]

The book under review is the first major study by Chinese economists made public in the Soviet Union in recent time. High-placed officials from central economic and scientific organisations, as well as from institutions of higher learning in China contributed to this work. The team of authors was headed by the President of the PRC Academy of Social Sciences Ma Hong.

In this monograph an attempt is made to sum up the economic experiences accumulated by China at the turn of the 1980s and to reconsider the country's economic development factors. The book dwells extensively on the key aspects of China's economy and changes in the structure of social production, analyses the dynamics of evolution of different economic spheres, examining at the same time how the proportions in the national economy are formed. This study, in fact, can be regarded as an analytical foundation for the economic reform which China has been implementing through a number of phases since late 1978.

The authors of the monograph explored the structure of China's economy on the whole and summarised the results of its development during the last three decades, (Chapter I). Possibilities for improving and rationalising the structure were analysed which would "promote the cause of socialist modernisation" (Chapter II). A section of the book is devoted to questions relevant to basic economic proportions ("The Correlation between Agriculture, Light and Heavy Industries"), directions of capital investment in different branches of the economy and the correlation between accumulation and consumption. This indicator determines the growth rates of specific branches and the economy as a whole and has direct impact on the well-balanced development of the economy.

The authors maintain that as production gained momentum in the PRC, people's living standards grew accordingly. According to data cited in the book, in 1952, the

average level of consumption in China was 76 yuan, in 1978—174 yuan, and in 1979—197 yuan. Altogether, in the period from 1952 to 1979, the level of consumption grew by 97 per cent, taking price increases into account. During the initial years of the PRC's existence, the correlation between consumption and accumulation changed radically. With the rising rate of accumulation, it became possible for accumulation and consumption funds to grow constantly and steadily at a rather high speed, resulting in gradually increasing volumes. Statistics show that the correlation between consumption and accumulation in China was, for quite a long period of time, marked by serious imbalances: the accumulation fund's share was abnormally high, while the consumption fund's was lower. The average rate of accumulation during the first five-year-plan period was 24.2 per cent, during the second—30.8 per cent, during the "readjustment" campaign (1963-1965)—22.7 per cent, in the third—26.3 per cent, in the fourth five-year-plan period—33.0 per cent, and in the period between 1976 and 1979—33.4 per cent. With the exception of the first five-year-plan period and the "readjustment" campaign, in all the other periods the rate of accumulation surpassed the real potential provided by the country's productive forces.

As a result, under such circumstances the population's purchasing capacity exceeded the amount of consumer goods offered by the market, thereby provoking price increases a decline in the quality of these goods, and an overall adverse effect on real living standards.

Imbalances between consumption and accumulation could hardly be accidental. The authors of the book see the main "evil" to be a "lopsided, rigid system of centralisation". Also, among the direct factors causing these imbalances are such miscalculations in economic management as "overemphasis" on the priority development of heavy industry and the implementation of the "steel is the primary basis" policy which triggered the hunt for high indices, largely in the field of heavy industry, in particular, in the iron-and-steel industry.

High rates of military production and expenditures on military purposes also exceeded the country's real potential becoming another factor responsible for imbalances between consumption and accumulation. Life has proven that an enormous volume of accumulation and a high share of industrial

capital investment do not necessarily lead to growth of the means of production, but inevitably result in lower living standards and labour activity.

The authors reveal negative phenomena for many years characteristic of the PRC's economic strategy, while making no secret of the complexity of the considered problems and at the same time realising that these problems need urgently to be solved in a most concrete way. This applied, first of all, to economic proportions and, according to Yang Jianbai and Li Xuezeng (Chapter III), the correlation between production in agriculture and light and heavy industries is one of the main features of the economic structure. In the opinion of these Chinese economists, "streamlining the correlation between agriculture, light and heavy industries provides the groundwork for rationalising the entire economic structure" (p. 106).

It is not an easy task to find appropriate proportions in the economy and, what is more important, to maintain them through correct policy decisions. Many articles in Chinese newspapers and magazines are devoted to these questions. In this monograph the problem of proportions is considered from different angles and quite comprehensively at that: the authors look into such aspects of this problem as manufactured products, the number of employed, employment in separate branches of the economy, the rates of growth of net output, the dynamics of national income growth, etc. The agro-industrial structure of China, which, "in terms of the correlation between industry and agriculture has developed from a formerly agrarian country into an agro-industrial one possessing a number of modern industries" (p. 108), can be regarded as rational if, as the study points out, the following three interrelated conditions are observed: 1) each of the structural elements is capable of developing steadily and independently and is characterised by inner integrity; 2) this is accompanied by a steady growth of national income; 3) living standards grow continuously as a natural result of the first two conditions. The authors hold that during the three decades that have elapsed since the formation of the PRC only the first five-year-plan period met these requirements (p. 110).

The study indicates that the reasons behind the emergence of structural imbalances in the Chinese economy, in particular between agriculture, light and heavy industries were overcentralisation of management

and miscalculations in macro-economic policy. Chinese economists too long lacked profound understanding of the "law of the priority development of heavy industry", (p. 112), and their errors "largely ensue from a lopsided approach toward the principle of the priority development of heavy industry" (p. 113). It is no secret that unjustifiably high accumulation rates as well as massive capital investment in heavy industry generate disproportions in the economy. In developing its heavy industry, China laid special emphasis on extensive factors of growth, whereas the enormous scale of construction in heavy industry had a negative effect on the development of agriculture and light industry. Finally, the autarchic nature of heavy industry itself also causes disproportions and heavy industry is still unable to this day to fully satisfy the needs of agriculture and light industry.

Furthermore, the authors indicate yet another factor, namely, the irrational system of price formation, which had a negative impact on the rectification of proportions in the development of key branches of the economy. From olden times China inherited the problem of "price scissors" for industrial and agricultural products. Isolated measures to overcome this phenomenon have already been taken but the problem as a whole is far from being solved. Currently work is under way to carry out a reform in price formation. The 3rd plenary meeting of the CC CPC of the 12th convocation noted that the reform is to be carried through on the basis of market price formation and will influence the whole of the country's economy.

So far it is really difficult to anticipate the effect the prospected reform in price formation may have on various aspects of the economy. It is not unlikely that major obstacles may appear in planning which is typically associated in socialist countries with proportional development of the economy and with its rational structure (this is what the authors of the study are especially worried about). The rational structure of the economy is known to be one of the main factors ensuring a well-balanced development of the economy; the absence of this factor makes large-scale intensification of the economy impossible.

The monograph provides a detailed analysis of the problem relevant to the structure of agriculture which is of primary importance in China, a country with the major

rity of its population engaged in this sector of the economy (as of 1979, 73.6 per cent of the entire able-bodied population).

The authors define the modern structure of agriculture as irrational, failing both to ensure the development of the country's productive forces and to meet the demands of the population. This structure has its origins in the past, that is in the small-scale peasant economy of old China which was of a predominantly closed nature.

It would be relevant to mention at this point some pronouncements of the authors which may be essential for a proper understanding of the PRC's economy and key structural problems and somehow can be regarded as a sort of resumé for this study.

The failures of the Chinese economy in the late 1950s stemmed from several factors. First was that unreasonable race towards higher growth rates in complete defiance of the basic principle of the preservation of economic proportions and drawing up economic balance. Proportions were subordinated to growth rates. "...While unrealistically high indices were identified with a Marxist-Leninist approach, the realistic indicators were branded as right opportunist and revisionist; the method of balance accounting was criticised as passive balancing, while a deviation from a comprehensive approach was proclaimed to be active balancing. Life has disproved these allegations..." (p. 18). Second, overemphasis on the development of heavy industry to the detriment of agriculture and light industry was also characteristic for China. However, in the opinion of the authors of the monograph, the Chinese experience shows that heavy industry, as it develops, should not be divorced from agriculture and light industry. Moreover, growth rates in heavy industry should not invariably outpace those in light industry. In other words, the development of heavy industry should not become an end in itself. Third, imbalances in the economy were also caused by high and extremely overestimated accumulation rates.

One of the primary reasons for China's economic backlog, namely a voluntarism characteristic of the end of the 1950s during the campaign to "communistise" the Chinese countryside, is emphasised in the book under review. (p. 19). One of the main reasons causing structural problems is backwardness typical for Chinese agriculture. "Our backward agriculture," the authors note, "is retarding light industry and impeding the ra-

pid growth of heavy industry. Reasons for such backwardness in agriculture are many, but one of the primary ones is the campaign of "communistising" the Chinese countryside and in consequences the protracted domination of the leftist trend which had ill effects on the peasants activity." (p. 19).

Establishment of cooperatives in the countryside, according to Chinese economists, "was on the whole a success", although certain errors were made due to haste, and "socialising was sometimes too pressed and premature". This is how this period is assessed in the book. But the "leftist" errors made during the creation of "people's communes in the countryside" were, the book stresses, especially harmful.

"Many faults" that accumulated in the system of management of state-run enterprises also had a negative influence on the country's economy. These faults, as the authors claim, include the lack of "sufficient independence" for enterprises and the fact that the existing system of management "impedes the regulating functions of the market" (p. 19). Given an excessive degree of centralisation and unrestrained administrative methods, "socialist production found itself deprived of a self-regulating mechanism, besides, the occurring setbacks could neither be detected nor eliminated in due time" (p. 19). At this point the study propounds the view that has begun to be put into practice in recent time, that is, the possibility of prolonged existence of different sectors and types of the economy under socialism. That is why, among the setbacks mentioned in the book there is also "a deplorable proliferation of enterprises based on collective ownership in industry, transport and trade; as for the private sector, it was done away with once and for all" (p. 19).

The analysis given in the book is largely connected with the guidelines of the PRC's economic policy elaborated in recent years. True, many ideas expressed by the compilers of the monograph are being implemented in Chinese economic practice.

The book also looks into the problems which are to be solved in the process of the ongoing economic reform. The 3rd Plenary Meeting of the CC CPC noted that cities also experience the impact of the economic reform. A unique "Chinese" road, that is "a movement forward in its own way and the creation of a specifically Chinese, viable and durable, socialist system" was particularly stressed at the meeting.

A solution of the serious problem concerning a restructuring of China's economy is inconceivable without radical reforms. At present, reforms are to be implemented in such realms of the economy as planning, the price system, the functions of state bodies engaged in economic management, workers' wages, and so forth. However, the very scope of the tasks set before the economy makes the possibility of their full implementation in the foreseeable future questionable. In addition, many aspects of these reforms, as the Chinese press must admit, call for further analysis and elaboration.

One can hardly imagine the successful modernisation of the PRC's economy without strict control over commodity-money circulation. In China experts are well aware of the role played by such control, but the degree and mechanism of this control is something that is quite often hard to define. Pointing to the need to carry out radical reforms in economic management where the central link is "the full revelation of the role played by the market mechanisms and the transformation of the economy previously totally managed by directive planning into one combining planned and market characteristics, i.e., into a planned economy based on commodity relations" (p. 449), Chinese economists admit that the state cannot "absolutely relinquish the system of planned (centralised) procurement, planned (centralised) distribution, rationing of supplies and other levers of administrative interference, nor can it loosen control over prices for products in short supply" (pp. 449-450). This is primarily linked with the opinion of the Chinese economists to the effect that the market mechanism should encourage advanced enterprises and push those lagging behind to improve product quality, to use new technology, strengthen economic management, and show initiative in order to meet the requirements of the society. But this can only be achieved under normal situation in the sphere of supplies and distribution. When demand is higher than supply of available goods and there is a gap between production and marketing, the market can hardly be an incentive. Therefore, even after the switch-over to market regulation under planned management, the granting of independence to enterprises in the purchasing of raw materials, the marketing of products, and the elimination of fixed prices (this intent has been reaffirmed by the decisions of the 3rd Plenary Meeting of the CC CPC of the 12th convoca-

tion), it is still probable that the situation will remain similar to the one existing under centralised purchasing and marketing. The book stresses that in the total absence of administrative control, it would be extremely hard to bring order to the market and prices, moreover, it could generate turmoil among people, profiteering and soaring prices. That is why, "to protect itself from chaotic market and prices", the state should not abandon control altogether.

It should be pointed out that much time has already passed since that study was written. Whereas at that period the economic reform in China was only being envisaged and the primary work was aimed at streamlining the national economy, the 3rd plenary meeting of the CC CPC of the 12th convocation stated that the reform had already proven successful in the countryside and the most important objective now was to implement it in the cities, and that favourable conditions had been created to reform the entire economic system.

Currently the Chinese, as the book emphasises, are pooling their efforts "to improve the economic structure and to accelerate implementation of the programme of 'four modernisations'". (p. 35). The first part of this most serious task is proposed to be solved by levelling the existing imbalances in the economy, since, in the authors' opinion, only after that can one speak of the genuine rationalisation of the economic structure (p. 92). As was already said, the main setback of the Chinese economic structure is acknowledged to be the unproportionately accelerated development of heavy industry and lagging behind of agriculture and light industry. Hence, the need arose to pay more attention to the development of agriculture and light industry in order to "rationalise" the economic structure. Although the reform in the countryside helped in this respect, it was admitted that it was insufficient. The authors maintain that China is faced not only with improving agriculture and light industry but also with establishing the heavy industry sector in such a way so as to serve as a genuine incentive for the development of agriculture and light industry.

It was with profound interest that the Soviet academic community received this study by Chinese economists. This monograph enables one to understand better the processes occurring today in the PRC's economy.

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U.S. EXPANSION IN INDIAN OCEAN

Moscow FAR EASTERN AFFAIRS in English No 3, Jul-Sep 85 pp 164-165

[Review by G. V. Astafyev of book "Politika SShA v Indiyском okeane" [U.S. Policy in the Indian Ocean] by A. V. Krutskikh, Moscow, Nauka, Glavnaya redaktsiya vostochnoy literatury, 1984, 256 pages]

The sharp aggravation of US imperialism's aggressiveness in recent years testifies to attempts by the United States and its allies to change the objective course of history by force of arms, erect an armed barrier on the road towards liberation of peoples from capitalist exploitation, and check the establishment of a new socialist system.

US aggressive policy is of a global nature. Almost the entire world and even outer space are considered spheres of US "vital interests".

This policy manifests itself in the creation of a ramified military structure in the shape of a system of mutually linked military bases on the territories of other states. The transformation of entire states, with the help of reactionary governments implanted there, into US satellites, with their subsequent use for subversive actions against neighbouring countries, whose regimes are not to Washington's liking, serves the same purpose.

Once aggressive actions became an inalienable part of US foreign policy, a large-scale army called the Rapid Deployment Force (RDF) and air and naval support forces became necessary for their implementation. Near potential theatres of military operations, the Pentagon, having the RDF in mind, concentrates heavy military hardware and ammunition in advance, (at depots, ships and bases) making it possible, in combination with the instantaneous airlift of military units, to reduce considerably the time needed to start combat operations.

Thus, even in peace, US imperialism carries out full-scale preparations for hostilities in many areas of the world. Exposing the aggressive policy and analysing specific steps taken by US administration aimed at preparing for local wars are a significant internationalist tasks faced by Soviet social sciences.

A. Krutskikh's book devoted to the examination of aggressive US policies in the Indian Ocean and in the Middle East in the 1970s and the 1980s meets precisely this task. The author not only traces the history of the shaping of US policy in that cru-

cial region, but also investigates its major directions, forms and manifestations.

US policy in the Indian Ocean is most characteristic of the global policy pursued by the United States from the viewpoint of winning world hegemony, and of the political, economic, and military means used by US administration to achieve these ends. The author convincingly demonstrates that there is no basic difference between the stands taken by the Democratic and the Republican Parties when it comes to foreign policy expansion. The two parties' foreign policies are spearheaded, first, against countries of the socialist community, the Soviet Union above all, and, second, against the developing countries, in particular those, which border on the Indian Ocean or have ports on it, chiefly against Arab countries and independent India, the biggest country of the region.

The United States is also seeking if not to oust its imperialist rivals from the area, then at least, to undermine their positions and subordinate their actions to Washington's global policy, enlisting them as junior partners for so-called "collective actions".

The book under review consists of three sections. Section I deals with a historical survey of US expansion in the region during the pre-imperialist period and characterises the forces motivating expansion, both economic and military-political. Section II examines the current enervation of US foreign policy in the region and its major forms—the establishment of numerous bases and springboards and the presence, on a permanent basis, of powerful naval forces in the region. Section III deals with the transformation of some states of the region headed by reactionary regimes (such as Israel and Saudi Arabia) into permanent US partners, helping to realise Washington's expansionist plans and oppose attempts by peace-loving forces and national liberation movements to settle peacefully issues of the Middle East, Indo-Pakistani conflicts and other disputes.

The monograph gives the reader a clear-cut concept of the economic reasons, aims, essence and specific manifestations of US imperialist policy, exposing the latter's neo-colonial nature.

The book convincingly demonstrates that having taken upon itself the mission of a "guardian" of the entire capitalist system against the triumphant march of socialism, the USA, in accordance with the cruel laws

of capitalism, has been seeking to draw other imperialist countries into its adventures.

The book devotes particular attention to the developing countries which account for the overwhelming number of states in the region and which are the primary object of US economic and political expansion. Here the author emphasises the activities of US imperialism aimed at subordinating reactionary regimes in some countries and using their territories for stationing its military bases and stockpiling weapons for the Rapid Deployment Force. Considerably less attention is given to the subversive activities by the USA and its agents against progressive regimes in Syria, the People's Democratic Republic of Yemen and India.

It should be pointed out that the author's principal focus is on the military aspect of aggressive US activities. Only one chapter out of eight deals with political activities, and at that only as far as military "partnership" is concerned. In his monograph the author completely neglected the problem of ideological support for US expansion.

A. Krutskii's book is a valuable study of US policy's militarist aspect, the most dangerous one. Undoubtedly this book will arouse lively interest not only among specialists, but also among many Soviet readers.

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